

**STATE OF NEW HAMPSHIRE  
DEPARTMENT OF HEALTH  
AND HUMAN SERVICES  
MULTIPLE DWI OFFENDER PROGRAM**

**PERFORMANCE AUDIT REPORT  
DECEMBER 1995**

**TO THE FISCAL COMMITTEE OF THE GENERAL COURT**

We have conducted an audit of the New Hampshire Multiple DWI Offender Program to address the recommendation made to you by the Legislative Performance Audit and Oversight Committee. This audit was conducted in accordance with generally accepted governmental auditing standards and accordingly included such procedures as we considered necessary in the circumstances.

The objectives of our audit were to analyze the program's effectiveness, its outstanding receivables and measures employed to reduce them, the efficiency and effectiveness of the management controls in place for the program, and how the State's law and program compares with laws and programs operated in other states. We also examined the program's funding and expenditures, as well as agency policies, procedures, and administrative rules.

This report is the result of our evaluation of the information noted above and is intended solely to inform the Fiscal Committee of our findings and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which upon acceptance by the Fiscal Committee is a matter of public record.

*Office of Legislative Budget Assistant*  
OFFICE OF LEGISLATIVE BUDGET ASSISTANT

June 1996

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**STATE OF NEW HAMPSHIRE  
MULTIPLE DWI OFFENDER PROGRAM**

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### ABBREVIATIONS

BSAS	Bureau of Substance Abuse Services
DHHS	Department of Health and Human Services
DMH&DS	Division of Mental Health and Developmental Services
DMV	Division of Motor Vehicles
DWI	Driving While Intoxicated
IDIP	Impaired Driver Intervention Program
MAST	Michigan Alcoholism Screening Test
MOP	Multiple DWI Offender Program
NHIFS	New Hampshire Integrated Financial System
OADAP	Office of Alcohol and Drug Abuse Prevention
SALCE	Substance Abuse Life Circumstances Evaluation
WIDIP	Weekend Impaired Driver Intervention Program

# STATE OF NEW HAMPSHIRE MULTIPLE DWI OFFENDER PROGRAM

## SUMMARY

### PURPOSE AND SCOPE OF AUDIT

This audit was performed at the request of the Fiscal Committee of the General Court consistent with recommendations from the joint Legislative Performance Audit and Oversight Committee and was conducted in accordance with generally accepted governmental auditing standards. It describes and analyzes the following: the effectiveness of the Multiple DWI Offender Program (MOP), the considerable operating deficit the program has incurred during its operation, fee payments and collection procedures, and the sufficiency of the management control structure to ensure efficient operations and minimize the potential for waste, fraud and abuse.

### BACKGROUND

The Multiple DWI Offender Program was authorized in 1987 by RSA 172-B:2-b, to stiffen the penalty for drivers convicted of multiple driving while intoxicated (DWI) offenses. The program began operation in March 1989 and is housed in the Spaulding Building on the grounds of the old Laconia State School. The MOP's operations are directed by the Bureau of Substance Abuse Services (BSAS), within the Division of Mental Health and Developmental Services (DMH&DS). Until the 1996 reorganization of the Department of Health and Human Services (DHHS), the MOP operated under the direction of the Office of Alcohol and Drug Abuse Prevention (OADAP). The observations and findings reported in this performance audit refer to the time period when the MOP was under the OADAP.

During the audit period of March 1989 through June 1995, the MOP had 20 full-time and six part-time employees. As of June 30, 1995, the MOP reported a total of 4,624 clients completing the program since its inception. Program capacity at the MOP is 34 clients per week. However, the program has never operated at capacity. Attendance data from MOP annual reports for the period March 31, 1989 to June 30, 1995 indicated average attendance has been 15.6 clients per week, or 45.9 percent of capacity.

MOP clients receive an evaluative and educational program beginning after they have served at least three days in a county house of correction. Each seven-day program cycle starts on Friday evening and continues along a scheduled format through the following Thursday evening. The program uses individual and group counseling, classroom instruction and other educational strategies to help clients make self-assessments and define their discharge plans. The MOP also evaluates the DWI offender's use of alcohol and other drugs and makes recommendations for further evaluation, treatment, or both after the client is discharged. Aftercare must be completed before driving privileges can be restored.

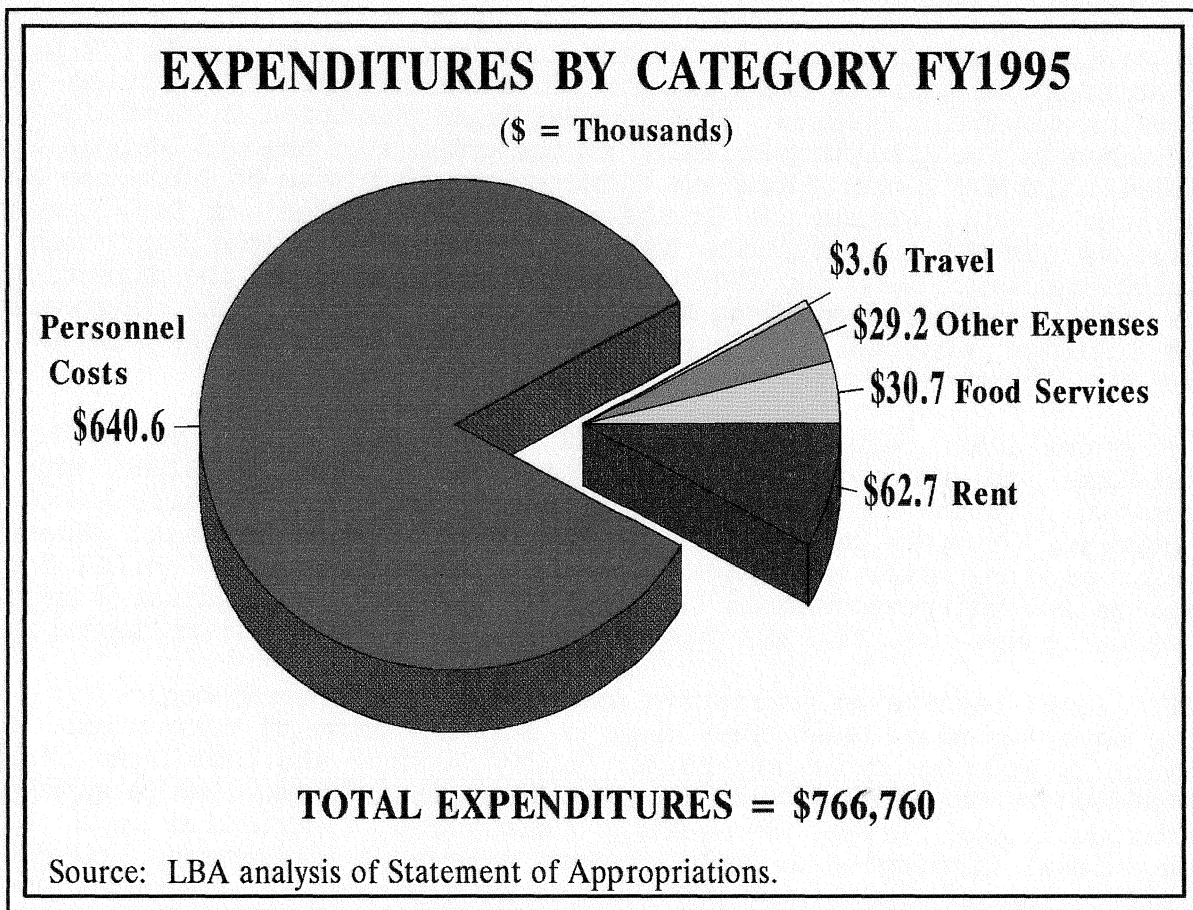
## SUMMARY (Continued)

### BACKGROUND (Continued)

The MOP receives operating funds from the general fund and client fees. RSA 172-B:2-b, III (b), requires the MOP to be self-supporting, with all expenditures except start-up costs derived from client fees. Although client fees are supposed to be sufficient to meet program expenditures, they have never fulfilled that requirement. As of June 30, 1995, client fees collected totalled almost \$1.7 million on expenditures of \$4.1 million.

FY 1995 expenditures were \$766,760, the largest single expenditure category being personnel costs. Figure 1 demonstrates the MOP's expenditure categories and their relative share of the total. FY 1995 expenditures were 39.1 percent higher than its first full fiscal year of operation in FY 1990.

FIGURE 1



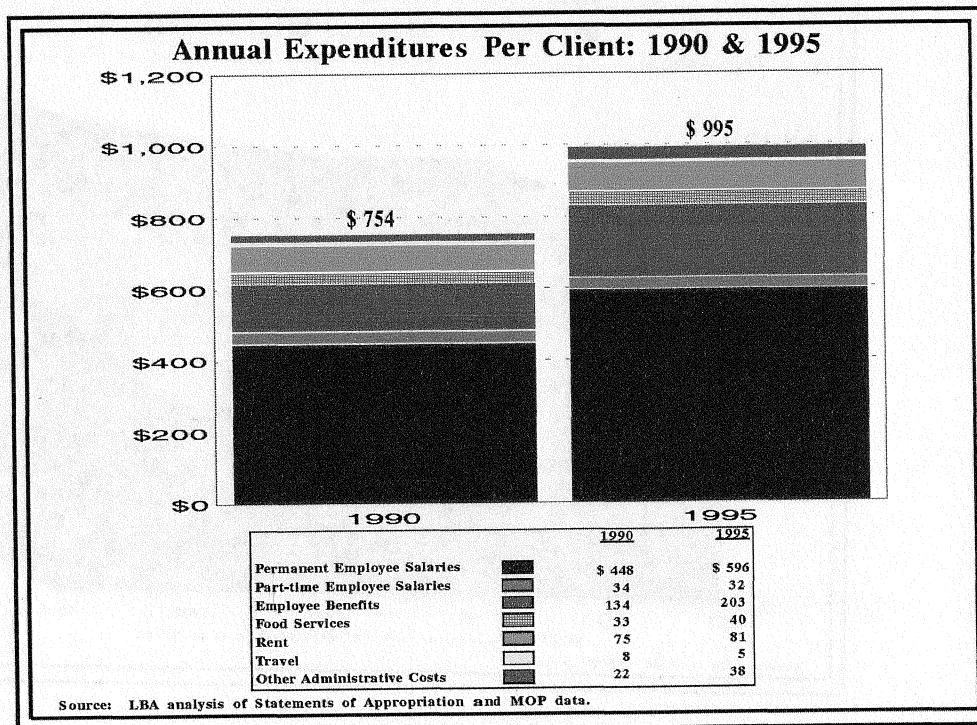
## SUMMARY (Continued)

### BACKGROUND (Continued)

Expenditures per MOP client increased from \$754 in FY 1990 to \$995 in FY 1995 (32.0 percent). As Figure 2 illustrates, permanent employee salaries increased from \$448 per client to \$596 per client (33.0 percent) during this time period.

The MOP has a total accumulated operating deficit of \$2,367,918 as of June 30, 1995 (Figure 3). The MOP has the only significant operating deficit in the State's General Fund as reported in the State's Comprehensive Annual Financial Report. Of the almost \$2.4 million operating deficit, \$1.1 million is owed by clients who completed the program from fiscal years 1989 through 1995. There are 2,231 outstanding accounts; almost 66 percent are at least one year in arrears. But, even with a perfect collection rate, the fee would not, could not, and has never generated enough revenue to cover the MOP's operating costs in any year. The fee would had to have been about \$754 in 1990, and nearly \$995 per client in 1995, for the program to be totally self-supporting as required by statute. At \$675, the fee would have to be increased 47.4 percent to meet the MOP's expenditure requirements, assuming a collection rate of 100 percent. Figure 4 documents the amounts billed for services, fees actually collected from clients, and operating expenditures for the MOP from FY 1990 through FY 1995.

FIGURE 2





SUMMARY (Continued)

FIGURE 3

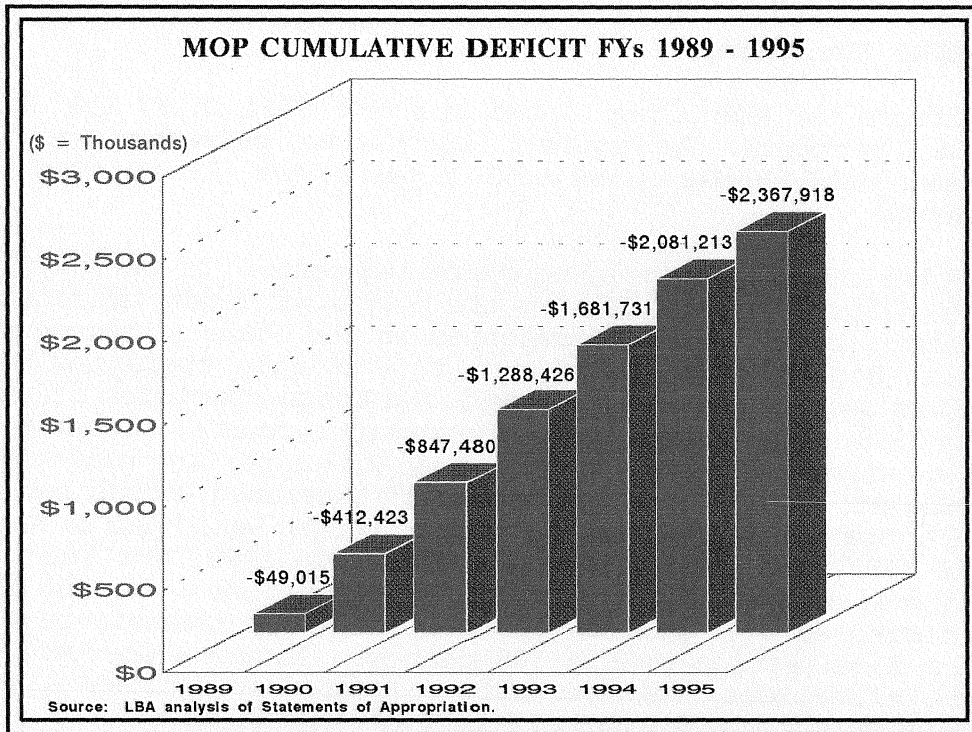
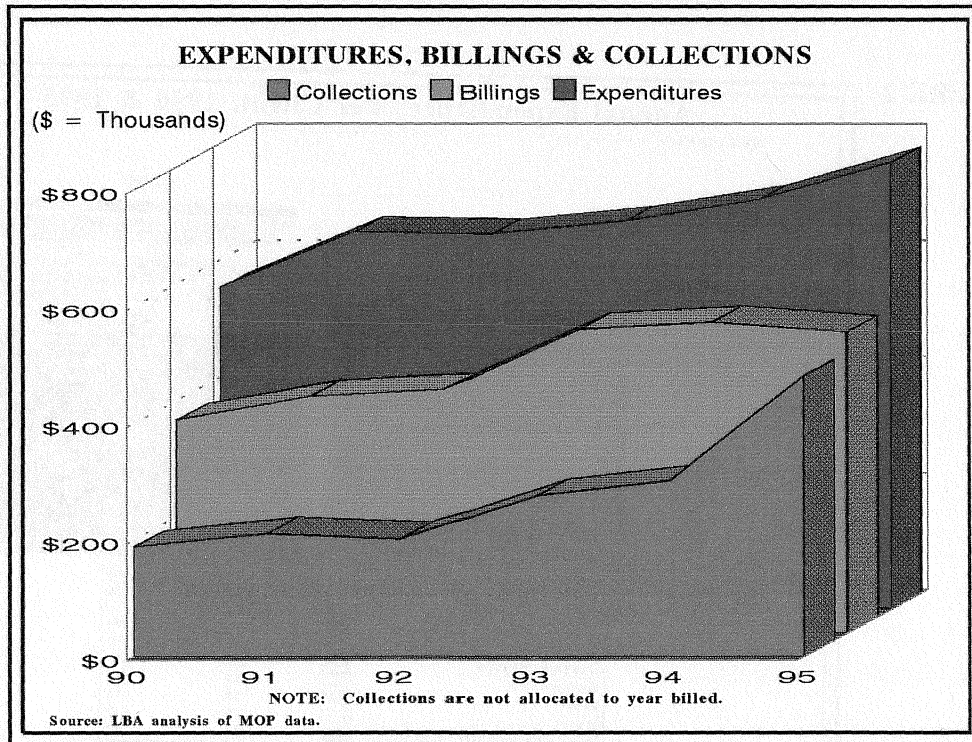


FIGURE 4



## **SUMMARY (Continued)**

### **RESULTS IN BRIEF**

Most of the problems at the MOP stem from management deficiencies at the program and its former parent agency, the OADAP. The problems we identify have arisen from several years of insufficient attention by management to self-evaluation, fiscal management and accountability, and control over necessary functions. From initial indications, the Bureau of Substance Abuse Services and DMH&DS management appear to be seriously addressing recommendations regarding the MOP fee, collections, and management controls, as well as evaluating expenditures and developing better effectiveness indicators. However, program management still must demonstrate whether the MOP warrants continued support from the Legislature, and do so within a timeframe that minimizes its continuing negative fiscal impact.

### **PRINCIPAL FINDINGS AND RECOMMENDATIONS**

We noted 28 observations and recommendations regarding the MOP. Five of these address the MOP's operating deficit. Six observations and recommendations concern the MOP's collections, 11 deal with management controls. Six observations address the program's effectiveness, one of these recommends the program demonstrate its effectiveness to the Legislature.

Two of the management control observations address irregular practices, one of which concerns possible fraud. Both of these observations are related to receipt and deposit of client fees at the program. We referred the observation concerning possible fraud to the DHHS commissioner's office for review.

#### *Program Operating Deficit*

We found that the MOP's expenditures for personnel, food, and rent have been higher than necessary, as detailed in Chapter 2, pages 25-32. In particular, the MOP has too many weekday substance abuse counselors for the number of clients it serves and has been using counselors to track compliance with aftercare recommendations, a responsibility which by statute belongs to the clients. In addition, the MOP has always provided free meals to its staff, causing it to spend more on food than it should. As for its rent expenditures, the MOP's building is too large for its needs and is in serious disrepair, resulting in expenditures for space that it can not use and does not need. Finally, we report that even if all MOP clients paid their fees in full, which they do not, the program would still be running at a deficit because the fee is insufficient to meet current expenses. The \$675 program fee, which by statute is set by the OADAP director, is insufficient for the MOP to pay for itself as required by statute.



## **SUMMARY (Continued)**

### **PRINCIPAL FINDINGS AND RECOMMENDATIONS (Continued)**

#### Collections

We also observed numerous inadequacies in the MOP's collection process which contribute to the program's operating deficit. Areas of concern include inadequate collection procedures, insufficient oversight and interest on behalf of management, underutilized existing collection tools, and an improperly instituted late fee as detailed in Chapter 3, pages 33-42. In the face of mounting deficits, the MOP has failed to develop any strategy to get the program's collection efforts back on track. Instead, it relies on the State's general fund to bolster its inadequate receipts, which is contrary to statutory requirements. Furthermore, the program has created and reinforced an impression among clients that the MOP is not genuinely interested in collecting its fees in a timely manner.

#### Management Controls

We determined that the MOP's management control structure needed improvements to ensure efficient operation and to minimize the potential for fraud and abuse as detailed in Chapter 4, pages 43-62. We found possibly fraudulent actions concerning missing deposits and unauthorized borrowing from cash receipts and observed numerous weaknesses in procedures for collecting, depositing and recording receipts, and for reconciling bank accounts. In addition, we noted several deficiencies in the administrative support area, policies and procedures were minimal or nonexistent in both the financial management and program operations areas, and we found three instances of noncompliance with statutory law and administrative regulations.

#### Program Effectiveness

We had hoped that the MOP would have presented an opportunity for us to evaluate whether its effectiveness warranted its continuation, as discussed in Chapter 5, pages 63-74. However, evaluating the program's effectiveness turned out to be unworkable due to the absence of comparative data for an analysis we conducted of DWI recidivism among MOP clients, and because in December 1994 the MOP destroyed all client satisfaction surveys going back to the program's beginning. Although we could not use completed client satisfaction surveys to assess program effectiveness, we evaluated the forms themselves as information gathering instruments. We found that the MOP needs to improve the forms it uses to obtain client evaluations of its effectiveness, as well as the tests it uses for assessing substance abuse among its clients. We still find that program effectiveness should be measured in order to determine whether the program warrants continued State support. We therefore recommend in Observation No. 26 (p. 71) that the DHHS be required to evaluate the MOP's effectiveness and report its findings to the Legislature. We also recommend improvements in safeguarding the safety of clients and the building, and in the quality of the weekend curriculum.

## **SUMMARY (Continued)**

### **PRINCIPAL FINDINGS AND RECOMMENDATIONS (Continued)**

#### *Program Effectiveness (Continued)*

We believe that the recommendations in this performance audit identify for the Department of Health and Human Services, Division of Mental Health and Developmental Services, several essential program areas to assess and improve, as well as the type of information it should be collecting to measure program effectiveness.

### **AGENCY COMMENTS**

In commenting on this report, the DMH&DS concurred with 22 of our 28 observations and recommendations, and concurred in part with six. The agency's overall response is found in Appendix C, while responses to individual observations and recommendations follow each observation in the text of the report.

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**STATE OF NEW HAMPSHIRE  
MULTIPLE DWI OFFENDER PROGRAM**

**RECOMMENDATION SUMMARY**

OBS. NO.	PAGE	REQUIRES LEGISLATIVE ACTION YES/NO	RECOMMENDATION	AGENCY RESPONSE
1	25	YES	Abolish one full-time substance abuse counselor position.	Concur In Part
2	26	NO	Discontinue involvement in aftercare follow-up activities.	Concur In Part
3	28	NO	Discontinue free meals for staff.	Concur
4	29	NO	Move the MOP to a smaller, better maintained facility.	Concur In Part
5	31	NO	Reduce MOP expenditures and increase the program fee.	Concur
6	34	NO	Develop a plan to increase collections.	Concur
7	36	NO	Ensure payment schedules consider client's income and ability to pay.	Concur
8	37	NO	Follow procedures and practices used to verify the accuracy of client financial statements.	Concur
9	39	NO	Ensure Phase II clients make full payment upon entering the MOP.	Concur
10	40	NO	Implement a pilot program to test use of contempt petitions against non-payors and assess its effectiveness and efficiency.	Concur

**RECOMMENDATION SUMMARY (Continued)**

OBS. NO.	PAGE	REQUIRES LEGISLATIVE ACTION YES/NO	RECOMMENDATION	AGENCY RESPONSE
11	41	YES	Obtain authority to impose a late fee.	Concur In Part
12	44	NO	Change procedures regarding collection, depositing, and recording of cash receipts at MOP to properly segregate duties.	Concur
13	46	NO	Require all amounts collected be deposited daily in accordance with RSA 6:11.	Concur
14	48	NO	Establish and maintain an effective internal control structure over the MOP.	Concur
15	50	NO	Develop procedures at MOP-Laconia for collecting, depositing, and recording revenue that provide a reasonable assurance that errors or irregularities will be detected.	Concur
16	52	NO	Conduct a comprehensive review of the safeguards over the accounts receivable system.	Concur
17	53	NO	Develop policies and procedures that relate to operations.	Concur
18	55	NO	Develop procedures for creating and maintaining client files.	Concur
19	57	NO	MOP should outsource all vending services.	Concur
20	58	NO	MOP checking account should be closed.	Concur
21	59	NO	Review whether the Case Technician I is properly located within the organization.	Concur

## RECOMMENDATION SUMMARY (Continued)

OBS. NO.	PAGE	REQUIRES LEGISLATIVE ACTION YES/NO	RECOMMENDATION	AGENCY RESPONSE
22	60	NO	Request Division of Personnel examine the dormitory supervisor's job duties and assignments for possible reclassification.	Concur
23	64	NO	Develop procedures to formally analyze client satisfaction surveys for evaluating program performance and for maintenance and storage of client files.	Concur In Part
24	66	NO	Redesign client satisfaction surveys to improve its utility as an information gathering instrument.	Concur
25	68	NO	Evaluate current assessment procedures and consider alternative assessment tests.	Concur
26	70	YES	Evaluate the MOP's efficiency and effectiveness and report to Legislature by the end of FY 1998.	Concur
27	72	NO	Enforce client conduct rules and living regulations. Develop evening and late night dormitory supervision protocols.	Concur
28	72	NO	Ensure two substance abuse counselors are on duty for the weekend curriculum.	Concur In Part

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# STATE OF NEW HAMPSHIRE MULTIPLE DWI OFFENDER PROGRAM

## INTRODUCTION

### 1. INTRODUCTION

#### 1.1 OVERVIEW

In recent years, more people have been arrested in the U.S. on an annual basis for driving while intoxicated (DWI) than any other reported criminal offense. Many repeat DWI offenders are recognized as substance abusers and most states have responded to this problem by combining punishment with substance abuse education or treatment or both. In New Hampshire, RSA 172-B:2-a, which took effect in 1984, requires all persons convicted of driving a vehicle while intoxicated to complete an alcohol education program before restoration of their driving license and privileges. (For a review of New Hampshire's DWI-related statutes see Appendix A.) As a result, the Office of Alcohol and Drug Abuse Prevention (OADAP) and the Department of Safety undertook a joint effort to develop evening and weekend impaired driver intervention programs (IDIPs and WIDIPs).

#### Entrance to the MOP

The Multiple DWI Offender Intervention Detention Center Program (MOP) was authorized in 1987 by RSA 172-B:2-b, because of the number of multiple offenders participating in the IDIPs and WIDIPs. According to RSA 265:82-b, I (b) (1), persons convicted based on a complaint alleging that they have had one or more prior convictions in New Hampshire or another state within seven years are guilty of a misdemeanor and receive a fine of between \$500 and \$1,000, as well as a mandatory sentence of not less than ten consecutive days. This sentence includes three consecutive 24-hour periods served at the appropriate county house of corrections, followed immediately by seven days at the MOP facility. After seven days the clients are released to the community or returned to county custody to complete any further commitment requirements. The mandatory sentence must be served within 21 days of conviction (depending upon the appeals process or availability of beds). Clients are required to pay a \$675 fee to the State for the costs of attending the MOP. Defendants failing to complete the program may be found in contempt of court and must serve a minimum of 30 days in the county correctional facility.

MOP clients with the minimum 10-day sentence begin their jail time on a Tuesday and are transferred to MOP the following Friday. Transportation to the MOP facility is provided by the program. Three of the MOP's dormitory supervisors drive to the county jails to pick up clients.



# 1. INTRODUCTION (Continued)

## 1.1 OVERVIEW (Continued)

The MOP began accepting Phase II clients (those who have received multiple first offense convictions) during FY 1991. Phase II clients do not receive a mandatory ten-day sentence, but are required to complete a seven-day and night residential program at the MOP or an equivalent, prior to license restoration. Since they are not sent to the MOP from the county correctional facilities, Phase II clients must arrange their own transportation to and from the program. The fee for these clients also is \$675, but it must be paid at the time of entrance. From calendar year 1992 through June 30, 1995, a total of 270 Phase II clients completed the MOP curriculum.

Five other Phase II programs, each run by private providers, also operate in the State. Bureau of Substance Abuse Services (BSAS) personnel estimated 39 Phase II clients were served by four of the private providers during FY 1995. The former IDIP/WIDIP coordinator at OADAP indicated there were 600-700 Phase II offenders that have not attended any program.

Under a two-year alternative sentencing pilot program authorized by Chapter 273:5 of the Laws of 1993, the courts may send to the MOP persons convicted for substance abuse-related offenses other than DWI. According to the program's administrator, four alternatively sentenced clients have attended the MOP since FY 1994. The MOP has cooperative agreements with only one court, Concord District Court, to participate in the project. No changes in the MOP curriculum were necessitated by these clients according to MOP personnel.

Program capacity at the MOP is 34 clients per week. However, the program has never operated at capacity. Attendance data from MOP annual reports for the period March 31, 1989 to June 30, 1995 indicated average attendance has been 15.6 clients per week, or 45.9 percent of capacity.

As of June 30, 1995, the MOP had reported a total of 4,624 clients completing the program since its inception. Because the MOP could not provide an accurate count of where clients were convicted for each year it has been in operation, we estimated the number by county as Figure 5 shows. Almost two-thirds (65.6 percent) of MOP clients came from four southern counties: Hillsborough, Rockingham, Merrimack, and Strafford. Hillsborough County was first with 1,184 offenders (25.6 percent) and Rockingham second with 780 (16.9 percent). In contrast, Coos and Sullivan Counties convicted the least number of offenders with 144 (3.1 percent) and 168 (3.6 percent) respectively.

# 1. INTRODUCTION (Continued)

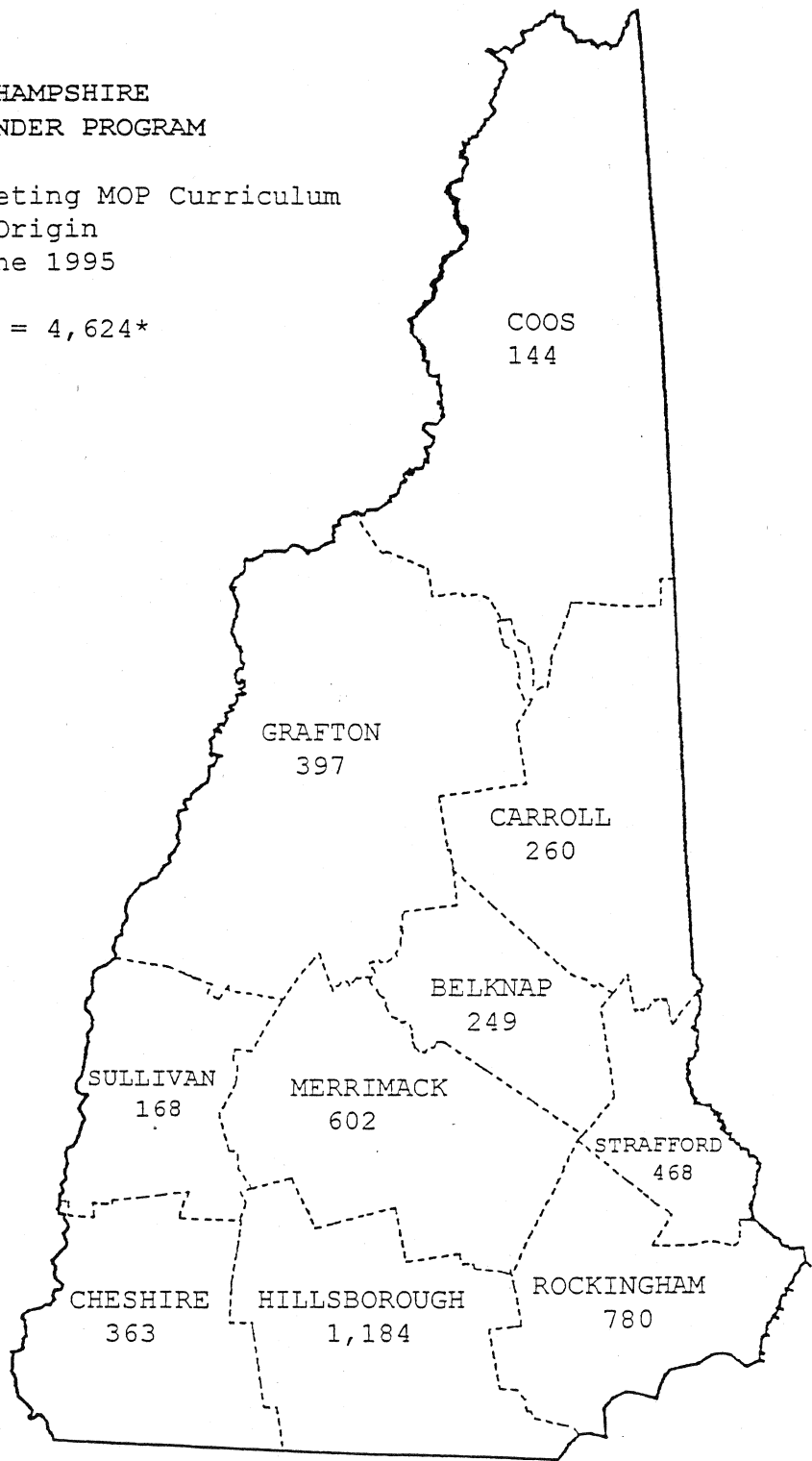
## 1.1 OVERVIEW (Continued)

Figure 5

STATE OF NEW HAMPSHIRE  
MULTIPLE OFFENDER PROGRAM

Clients Completing MOP Curriculum  
By County of Origin  
March 1989-June 1995

Total Clients = 4,624\*



SOURCE: LBA Analysis of MOP Data

\* Map does not include nine out-of-state clients.

# **1. INTRODUCTION (Continued)**

## **1.1 OVERVIEW (Continued)**

### MOP Services

The MOP's educational program begins on Friday evening and continues along a scheduled format through the following Thursday evening. The program uses a combination of individual and group counseling, classroom instruction and other educational strategies, such as diagnostic testing, films, discussions, and self-help awareness meetings. Family members (or significant others) are invited to visit on Tuesday evening for a buffet dinner and an evening session where they learn how substance abuse affects the entire family and receive information regarding self-help groups for family members.

In addition to helping clients make a self-assessment and define their discharge plans, one of the program's missions is to evaluate the DWI offender's use of substances and make recommendations for further evaluation, treatment, or both after the client is discharged. This written evaluation and referral is reviewed and discussed with each client prior to discharge. A copy is given to the client; another is sent back to the court of conviction.

## **1.2 ORGANIZATIONAL STRUCTURE**

### MOP Staffing

During the course of our audit, the Department of Health and Human Services (DHHS) underwent a major reorganization which affected the MOP and its then-parent agency, the OADAP. As a result of this reorganization the OADAP was renamed the Bureau of Substance Abuse Services (BSAS) and administratively placed under the Division of Mental Health and Developmental Services (DMH&DS). Throughout this report we refer to the organizational structure which was in effect during the March 1989 - June 1995 audit period, which is illustrated in Figure 6. However, we wish to acknowledge the DHHS reorganization and its impact upon MOP's operations as illustrated in Figure 7. Notwithstanding this reorganization, each of the observations reported in chapters 2 through 5 refer to conditions found under OADAP's management, but the recommendations all refer to the BSAS and the DMH&DS.

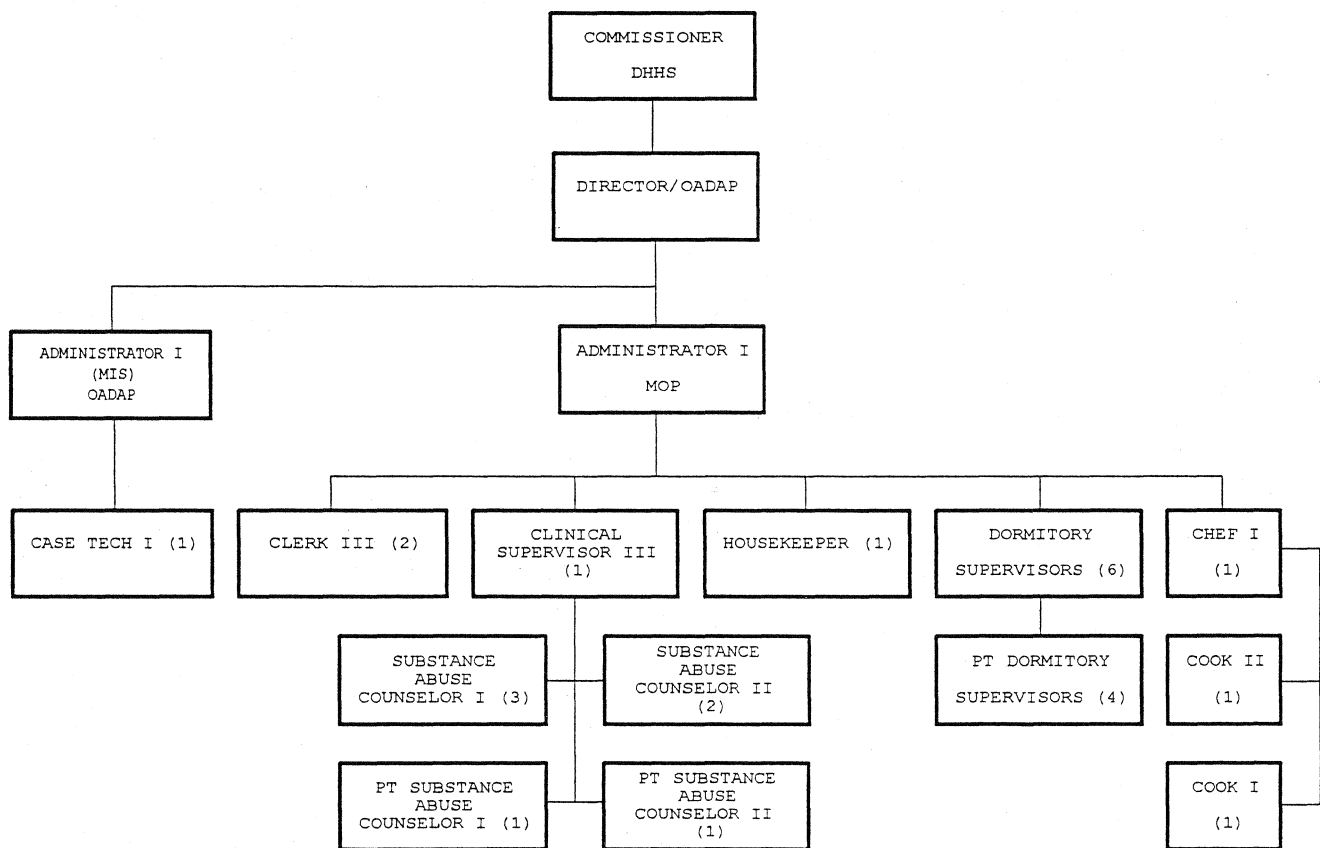
Prior to the DHHS reorganization the MOP had 20 full-time and six part-time employees. The OADAP director and business administrator provided administrative support for the program from the Concord headquarters. A case technician for the program also worked out of the OADAP office. On-site direction for the MOP is provided by an Administrator I. The educational program is directed by a Clinical Supervisor III, who oversees five full-time and two part-time counselor positions. The financial department consisted of a case technician and two clerks. The remainder of

1. INTRODUCTION (Continued)

1.2 ORGANIZATIONAL STRUCTURE (Continued)

Figure 6

STATE OF NEW HAMPSHIRE  
 MULTIPLE DWI OFFENDER PROGRAM  
 ORGANIZATION CHART  
 1989-1995



LEGEND:  
 PT - part-time

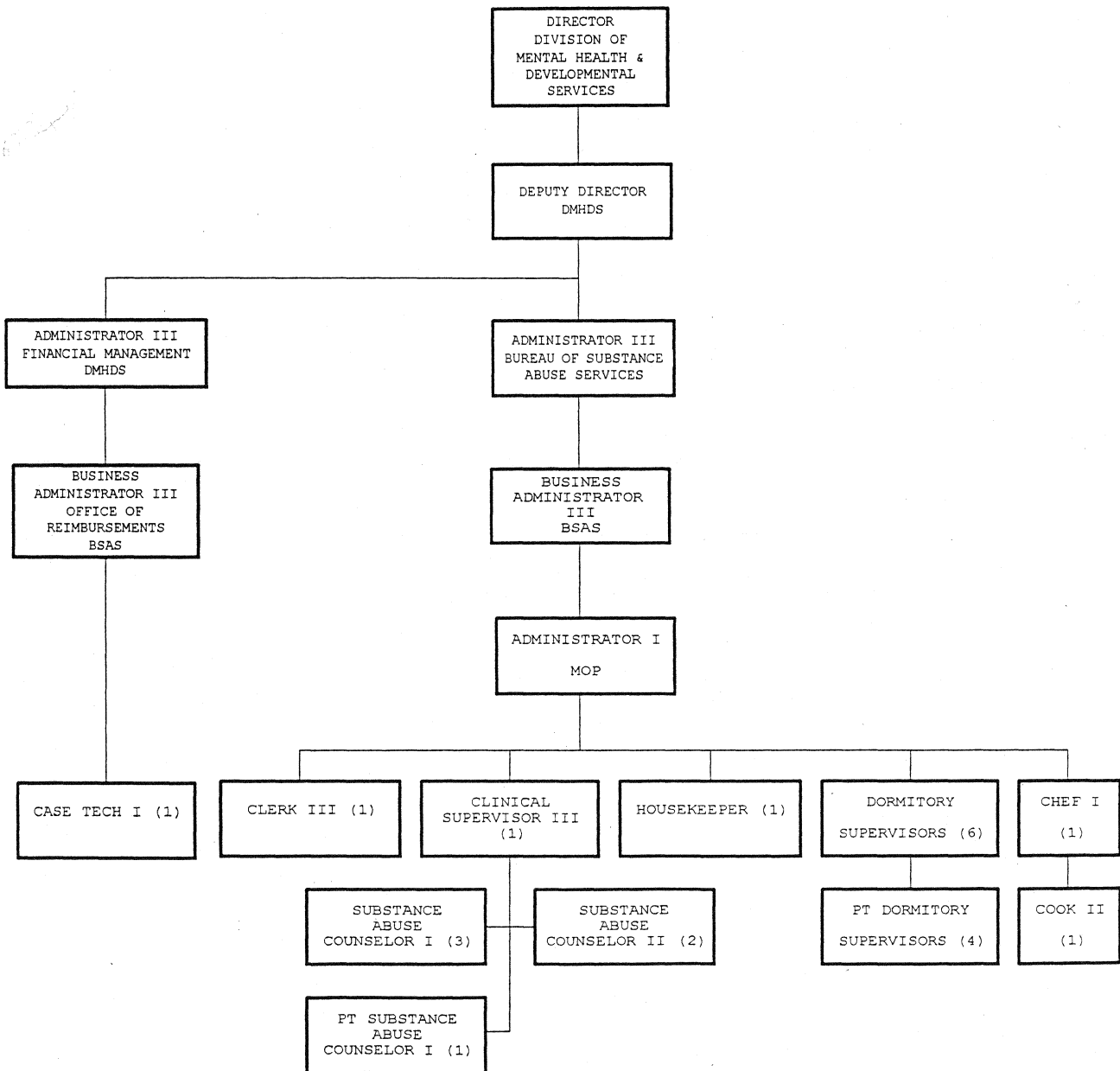
Source: OADAP 1994 Annual Report

1. INTRODUCTION (Continued)

1.2 ORGANIZATIONAL STRUCTURE (Continued)

Figure 7

STATE OF NEW HAMPSHIRE  
 MULTIPLE DWI OFFENDER PROGRAM  
 ORGANIZATION CHART  
 1996



LEGEND:  
 PT - part-time  
 Source: BSAS

## **1. INTRODUCTION (Continued)**

### **1.2 ORGANIZATIONAL STRUCTURE (Continued)**

the staff consisted of dormitory supervisors (six full-time, four part-time), a housekeeper, a chef, and two cooks. The clinical supervisor oversees the counselors, and the MOP administrator supervises all personnel. The administrator reported sharing clinical supervision to a considerable degree with the clinical supervisor. The clinical supervisor reported filling in for the administrator approximately ten percent of the time, generally when the administrator was vacationing or away on official business. The administrator, clinical supervisor, and counseling staff reported the administrator is available to staff after hours.

The administrator, clinical supervisor, full time counselors, clerks, housekeeper, and chef work Monday through Friday schedules. The second and third shifts, as well as the weekends, are covered by dormitory supervisors, the part-time counselor, and the full-time cook.

Medical support services are accessed as needed from a local walk-in clinic and the Lakes Region General Hospital. The program administrator and one of the counselors are nurses and provide any necessary on-site medical monitoring. All staff are trained in cardio-pulmonary resuscitation.

### **1.3 FUNDING AND EXPENDITURES**

In 1987, when the Legislature established the MOP, it appropriated \$322,400 for renovations to the Spaulding building located on the former State school campus in Laconia, and \$100,000 for program start-up expenses. Renovations were completed in early March 1989 and the program began operation on March 31, 1989, but due to funding reductions in 1989 it had only approximately \$68,000 in start-up funds remaining.

The statements of appropriation for FY 1989 - FY 1995 indicate the MOP received funds from the general fund and client fees. According to RSA 172-B:2-b, III (b), the MOP is supposed to be self-supporting, with all expenditures exclusive of start-up costs derived from client fees. RSA 172-B:2-b, II requires fees collected from MOP clients be placed in a special MOP account in the State Treasurer's office, while RSA 172-B:2-c requires that the funds in this special account be appropriated in the operating budget as a source of funds for the MOP. Although client fees are supposed to be sufficient to meet program expenditures, they have never fulfilled that requirement. As of June 30, 1995, client fees collected totalled almost \$1.7 million on expenditures of \$4.1 million.

The MOP has a total accumulated operating deficit of \$2,367,918 as of June 30, 1995 (Table 1). The MOP has the only significant operating deficit in the State's General Fund as reported in the State's Comprehensive Annual Financial Report. Of the operating deficit, \$1.1 million is owed by clients

**1. INTRODUCTION (Continued)**

**1.3 FUNDING AND EXPENDITURES (Continued)**

who completed the program from fiscal years 1989 through 1995. This represents 2,231 outstanding accounts. Almost 66 percent of the amount owed by clients is at least one year in arrears.

The MOP's overall expenditures for FY 1995 have increased by 39.1 percent since the program's first full fiscal year in 1990. As Table 2 indicates benefits and salaries for the MOP's full-time employees constituted the second and third largest increases at 59.1 percent and 40.2 percent respectively.

**TABLE 1**

**SUMMARY OF MOP EXPENDITURES AND REVENUE  
FY 1989 - 1995**

<b>FY</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>DIFFERENCE</b>	<b>CUMULATIVE BALANCE</b>
				\$ 68,067*
1989	\$ 138,711	\$ 21,629	(117,082)	(49,015)
1990	551,196	187,788	(363,408)	(412,423)
1991	646,273	211,216	(435,057)	(847,480)
1992	642,106	201,160	(440,946)	(1,288,426)
1993	664,127	270,822	(393,305)	(1,681,731)
1994	700,658	301,176	(399,482)	(2,081,213)
1995	766,760	480,055	(286,705)	(\$2,367,918)
<b>TOTAL</b>	<b>\$4,109,831</b>	<b>\$1,673,846</b>	<b>(\$2,435,985)</b>	

Source: LBA analysis of Statements of Appropriation.

\* Net start-up funding

# 1. INTRODUCTION (Continued)

## 1.3 FUNDING AND EXPENDITURES (Continued)

**TABLE 2**

**MOP EXPENDITURES BY CLASS FY 1990-1995**

	1990	1991	1992	1993	1994	1995	Percent Increase/ (Decrease) 1990-1995
Permanent Employee Salaries	\$327,651	\$388,685	\$395,998	\$395,178	\$424,271	459,369	40.2%
Part-time Employee Salaries	24,584	23,539	6,089	19,441	13,790	25,031	1.8%
Employee Benefits	98,138	126,674	131,838	140,359	140,083	156,155	59.1%
Food Services	24,305	30,352	24,777	25,265	27,035	30,656	26.1%
Rent	54,614	53,112	57,453	57,453	59,751	62,739	14.9%
Travel	5,593	5,269	5,906	4,508	4,830	3,637	(35.0%)
Other Administrative Expenses	16,311	18,642	20,045	21,923	30,898	29,173	78.9%
<b>Total Expenditures</b>	<b>\$551,196</b>	<b>\$646,273</b>	<b>\$642,106</b>	<b>\$664,127</b>	<b>\$700,658</b>	<b>\$766,760</b>	<b>39.1%</b>

Source: LBA analysis of Statements of Appropriation.

We also calculated the MOP's expenditures on a per client basis for fiscal years 1990 through 1995 and the results are displayed in Table 3. In March 1991, the fee was increased from \$550 to \$675.

Even if the MOP had a perfect collection rate, the fee would not, could not, and has never generated enough revenue to cover its operating costs. The program fee would had to have been about \$754 in 1990 and nearly \$995 per client in 1995, to be self-supporting as required by statute. At \$675, the current fee would have to be increased by 47.4 percent to meet the MOP's expenditure requirements.



**1. INTRODUCTION (Continued)**

**1.3 FUNDING AND EXPENDITURES (Continued)**

**TABLE 3**

**MOP EXPENDITURES PER CLIENT BY CLASS FY 1990-1995**

	1990	1991	1992	1993	1994	1995	Percent Increase/ (Decrease) 1990-1995
Number of Clients Served	731	763	693	784	794	771	
Permanent Employee Salaries	\$448.22	\$509.42	\$571.43	\$504.05	\$535.02	\$595.81	32.9%
Part-time Employee Salaries	33.63	30.85	8.79	24.80	17.39	32.47	(3.4%)
Employee Benefits	134.25	166.02	190.24	179.03	176.65	202.54	50.9%
Food Services	33.25	39.78	35.75	32.23	34.09	39.76	19.6%
Rent	74.71	69.61	82.90	73.28	75.35	81.37	8.9%
Travel	7.65	6.91	8.52	5.75	6.09	4.72	(38.3%)
Other Administrative Expenses	22.31	24.43	28.92	27.96	38.96	37.84	69.6%
<b>Total Expenditures per Client</b>	<b>\$754.02</b>	<b>\$847.02</b>	<b>\$926.55</b>	<b>\$847.10</b>	<b>\$883.55</b>	<b>\$994.51</b>	<b>31.9%</b>
Fee per Client	\$550.00	\$550.00	\$675.00	\$675.00	\$675.00	\$675.00	

Source: LBA analysis of Statements of Appropriation and MOP data.

**1.4 SCOPE, OBJECTIVES, AND METHODOLOGY**

We performed our audit of the New Hampshire Multiple DWI Offender Program consistent with recommendations made to the Fiscal Committee by the Joint Legislative Performance Audit and Oversight Committee. This performance audit was conducted in accordance with generally accepted governmental auditing standards and accordingly included such procedures as we considered necessary in the circumstances.

# 1. INTRODUCTION (Continued)

## 1.4 SCOPE, OBJECTIVES, AND METHODOLOGY (Continued)

### Scope and Objectives

This report describes and analyzes the organization, management, and control structures of the Multiple DWI Offender Program from the program's inception in March 1989 through June 1995. Although changes that have occurred during FY 1996 are in some cases taken into account, the primary focus of this performance audit remains within the identified audit period.

The issues we focused on primarily addressed the program's effectiveness, the outstanding receivables and measures employed to reduce them, the efficiency and effectiveness of the management controls in place for the program, and how the State's law and program compares with laws and programs operated in other states. We also examined the program's funding and expenditures, as well as agency policies, procedures, and administrative rules.

Our audit encompassed the six-year history of the program from its inception in March 1989 through the end of FY 1995 and addressed the following specific objectives:

- Assess the MOP's effectiveness in helping clients determine if they have a substance abuse problem and its effectiveness in reducing DWI recidivism;
- Evaluate the program's capacity to increase its client base and assess the MOP's staffing patterns;
- Determine if the MOP's fees should be increased to reflect actual program expenditures; and
- Determine if the management control structure for the MOP is sufficient to ensure efficient operations and the potential for waste, fraud, and abuse is minimized.

### METHODOLOGY

To obtain general background information and develop an understanding of approaches to assessment, education and treatment of multiple DWI offenders, we reviewed reports, articles, and research papers published by governmental and non-governmental organizations involved with DWI offenders including the National Highway Traffic Safety Administration and Mothers Against Drunk Driving.

## **1. INTRODUCTION (Continued)**

### **1.4 SCOPE, OBJECTIVES, AND METHODOLOGY (Continued)**

To obtain background information about the New Hampshire multiple offender program, we used two basic methods. First, we conducted structured interviews with nearly all MOP staff and selected members of OADAP. Second, we reviewed New Hampshire statutes and administrative rules, MOP organization charts, and MOP reports to the Governor and legislative committees.

To obtain information to accomplish the audit objectives, we used five methods:

- structured interviews with personnel from the OADAP and the MOP, the department of corrections, and private providers of substance abuse services;
- a time utilization analysis among MOP personnel to determine optimal staffing patterns;
- document reviews of state statutes, administrative rules, organization charts, division of motor vehicle records, client surveys, financial records, and other internal MOP documents;
- an analysis of recidivism among MOP graduates, and;
- telephone surveys with 17 states that have multiple DWI programs similar to New Hampshire.

### **1.5 REPORT OUTLINE**

The remaining sections of the report present our analysis of the program's potential to be self-supporting, the management control structure in place, and the MOP's effectiveness. Chapter 2 contains observations regarding MOP's operating deficit, while chapter 3 examines the program's receivables. Chapter 4 describes the efficiency and effectiveness of the management controls in place for the program and chapter 5 reports on our analysis of the program's effectiveness. A short conclusion closes the analytical chapters with some remarks regarding the current condition and possible future of the MOP, and precedes another section on identifying some other issues and concerns.

# STATE OF NEW HAMPSHIRE MULTIPLE DWI OFFENDER PROGRAM

## PROGRAM OPERATING DEFICIT

### 2. PROGRAM OPERATING DEFICIT

As indicated in chapter one, the MOP has operated at a deficit throughout its history. We found that the causes for this deficit go beyond the difficulties the program has had in collecting its accounts receivable, which will be discussed in the next chapter. In this chapter we report our findings regarding the other primary reasons for the MOP's operating deficit. First, the program's expenditures are excessive in some areas. Second, OADAP has set the fee too low to meet statutory requirements that it pay for itself.

#### 2.1 EXPENDITURES

We found that the MOP's expenditures for personnel, food, and rent have been higher than necessary. Regarding personnel, the MOP has too many weekday substance abuse counselors for the number of clients it serves. The MOP also has been utilizing counselor time to track client compliance with aftercare recommendations, a responsibility which by statute belongs to the clients themselves. In addition, the MOP has since its beginning provided free meals to its staff, causing it to spend more on food than it should. Finally, we found that the building which the MOP occupies is too large for its needs and is in serious disrepair, to the extent that 25 percent of the bed space can not be used. As a result, the MOP is paying for space it does not and can not use.

#### OBSERVATION NO. 1

##### ONE SUBSTANCE ABUSE COUNSELOR POSITION SHOULD BE ABOLISHED

The MOP employs five full-time substance abuse counselors during the Monday-Friday workweek. For the period March 1989 through June 1995, the MOP averaged 15.6 clients per week. During our time study period

in September and October 1995, the MOP client groups contained 12, 16, 17, and 15 clients respectively. The average of 15 clients per week during the time study period is close to the MOP historical weekly average of 15.6 clients. With five weekday counselors, the MOP counselor per client ratio was about 1:3 during the period.

Administrative rules governing Phase II programs (MOP accepts Phase II clients) require minimum instructor-to-client ratios of 1:8 clients or fewer. Additionally, six private Manchester, New Hampshire-providers of

## 2. PROGRAM OPERATING DEFICIT (Continued)

### 2.1 EXPENDITURES (Continued)

#### OBSERVATION NO. 1: ONE SUBSTANCE ABUSE COUNSELOR POSITION SHOULD BE ABOLISHED (Continued)

inpatient substance abuse programs reported the following typical counselor-to-client staffing ratios: 1:3, 1:6-8, 1:6, 1:5, 1:7, and 1:4-5. By comparison, the MOP counselor to client ratio is well below all but one of the private providers contacted by the LBA. The MOP's counselor to client ratio is well below the upper limit of the 1:8 counselor to client ratio used by Phase II programs. Additionally, if the MOP used only four weekday counselors, the MOP counselor to client ratio based on an average attendance of 15.6 clients per week would remain less than 1:4.

#### RECOMMENDATION:

One full-time substance abuse counselor position at the MOP should be abolished.

#### AUDITEE RESPONSE:

*Concur in part. The Division of Mental Health and Developmental Services will initiate an analysis of staffing at MOP and adjustments will be made based upon this analysis by an external staffing consultant.*

#### OBSERVATION NO. 2

##### **RESPONSIBILITY FOR COMPLIANCE WITH AFTERCARE RECOMMENDATIONS SHOULD BE WITH CLIENTS**

Upon completing the MOP curriculum 95 percent of clients receive an aftercare recommendation for continued counseling or treatment. These recommendations must be completed before driver's license restoration. MOP employees engage

in a considerable amount of aftercare follow-up for the clients. They tabulate timelines for aftercare completion, send two follow-up letters to recalcitrant clients, schedule and testify at Division of Motor Vehicles (DMV) hearings, and perform other ancillary activities related to aftercare. We believe the responsibility for compliance with aftercare recommendations should be with the clients.

The MOP has accepted responsibilities that it is not required to accept nor necessary for it to do. The source of these unnecessarily assumed duties is a misinterpretation of the aftercare statute. RSA 263:65-a (II) requires completion of aftercare and states that any additional counseling requirements should not extend six months beyond the date of the final evaluation or license revocation period, whichever is later, without a right to a hearing before the Division of Motor Vehicles.

## 2. PROGRAM OPERATING DEFICIT (Continued)

### 2.1 EXPENDITURES (Continued)

#### OBSERVATION NO. 2: RESPONSIBILITY FOR COMPLIANCE WITH AFTERCARE RECOMMENDATIONS SHOULD BE WITH CLIENTS (Continued)

This statute neither explicitly nor implicitly requires the MOP to assume aftercare follow-up responsibilities. Yet, the MOP believes it needs to provide notification to the client and schedule a hearing before the DMV within six months of the final evaluation or license restoration date for those clients who have waited to complete aftercare. We do not believe that the statute intends to allow the offender to avoid further counseling requirements, but rather provides for a process to require continued treatment, if necessary, beyond the six month timeframe. The clients often have at least three years to complete aftercare requirements because this is the minimum license suspension period. The typical aftercare recommendation would not extend beyond this three year period. Because offenders choose not to complete the required counseling during this time does not mean they may avoid it altogether. The responsibility for completing aftercare requirements falls to the client. Any hearings on the matter should be initiated by the offender.

The MOP expends limited State resources on unnecessary functions. We have determined, through our time study, that the MOP counselors collectively spend about eight percent of their time on aftercare activities. During the time study, one counselor spent 3.9 hours one day and another spent 4.5 and 5.5 hours on two days, traveling to and appearing at aftercare hearings initiated by the MOP because of noncompliance by clients. In addition, the MOP clinical supervisor has estimated he spends between 25 and 33 percent of his time on aftercare duties. Since the time study was completed, the clinical supervisor has delegated some of his aftercare duties to two counselors. They have had to transfer some of their caseload to other counselors. By eliminating this responsibility, the MOP could redirect those resources to other more important counseling or clinical endeavors.

#### RECOMMENDATION:

The MOP should discontinue its involvement in aftercare follow-up activities. Staff should continue to notify the client, at the conclusion of the MOP curriculum, that further counseling recommendations must be met to successfully complete the program and emphasize the client's responsibility to ensure it is done.

#### AUDITEE RESPONSE:

*Concur in part. We understand it is a drain on staff time and may not specifically be required by statute. There are still administrative functions that must be completed including notification of DMV. Because the*

## 2. PROGRAM OPERATING DEFICIT (Continued)

### 2.1 EXPENDITURES (Continued)

#### OBSERVATION NO. 2: RESPONSIBILITY FOR COMPLIANCE WITH AFTERCARE RECOMMENDATIONS SHOULD BE WITH CLIENTS (Continued)

##### AUDITEE RESPONSE (Continued):

*payment of MOP fees is inexorably linked to our division, so is the completion of aftercare linked to MOP. Somebody with a knowledge of substance abuse treatment must decide if the aftercare recommendations have been properly completed as per RSA 263:65-a.*

*The Department of Safety, Division of Motor Vehicles seems to believe deeming of successful completion rests with MOP. We intend to have the DMH&DS Client and Legal Services staff review and provide legal interpretation of the relative statutes.*

#### OBSERVATION NO: 3

##### **FREE MEALS FOR MOP STAFF SHOULD BE DISCONTINUED**

During our field work at the MOP facility in Laconia we observed program staff receiving free meals from the program's kitchen during lunch and dinner, as well as from the continental breakfast tray.

Upon inquiry of kitchen staff, the MOP administrator, and the OADAP director we learned the practice was long-standing and had been approved by the OADAP director at the program's inception.

Both the OADAP director and the MOP administrator stated the opinion that counselors often are unable to leave for lunch and they should be provided lunch by the program. They did not offer any explanations for the free meals received by personnel such as the MOP administrator, clinical supervisor, housekeeper, clerical staff, kitchen personnel, and some dormitory supervisors. On any given day, the MOP may be providing lunches for nine personnel and dinners for two or three.

The MOP expended \$163,541 on food purchased for daily menus throughout the audit period. Part of this cost is obviously reflected in the free meals being received by program staff. Both the current and previous chefs for the program stated that usable leftovers from meals are utilized at a later date in other menus.

Providing meals to program staff reduces the amount of usable leftovers available for future consumption and increases the MOP's annual food expenditures.

## 2. PROGRAM OPERATING DEFICIT (Continued)

### 2.1 EXPENDITURES (Continued)

#### OBSERVATION NO. 3: FREE MEALS FOR MOP PERSONNEL SHOULD BE DISCONTINUED (Continued)

##### RECOMMENDATION:

The MOP should cease providing free meals to program staff.

##### AUDITEE RESPONSE:

*Concur. Free meals have ceased and an employee meal payment system has been established.*

#### OBSERVATION NO: 4

##### **THE MOP SHOULD BE RELOCATED**

Although the MOP facility can house a maximum of 34 clients, the program has overestimated client demand and has never operated at the building's capacity. For the period March 1989

through June 1995, average weekly client attendance was 15.6 clients, or 45.9 percent of capacity.

The MOP's Spaulding Building is poorly maintained, as evidenced by a leaking roof, rotting and unpainted exterior wood, and cracked, peeling and drooping water-stained ceilings. Four dormitory rooms are currently uninhabitable due to the above damages. Two of the four rooms reportedly have exposed asbestos fibers. The four rooms can house a total of eight clients per week. Thus 23.5 percent of the MOP's dormitory room space has remained unused due to unperformed maintenance. Furthermore, the clinical supervisor III reported that unrepaired radiator and steam heat leaks also damage floors and ceilings. A tour of the building revealed ceilings and wood floors damaged by unrepaired heating system leaks.

The MOP administrator reported that a work order for the Spaulding Building's roof was submitted five years ago. However, the building's slate roof still leaks, exposing the building's interior to additional damage.

Windows throughout the building need paint, screens, counterbalance weights and ropes, window glazing and glass replacement. Exterior wood trim is weathered prematurely because it is unpainted. Rotted wood columns have become hornet nesting grounds. Shower room walls have softened plaster and peeling paint. During heating season windows often are propped open in overheated rooms because building heat can not be regulated except by shutting down the building's entire system. During audit fieldwork we noticed the kitchen was infested with mice and second floor rooms with hornets.



## 2. PROGRAM OPERATING DEFICIT (Continued)

### 2.1 EXPENDITURES (Continued)

#### OBSERVATION NO. 4: THE MOP SHOULD BE RELOCATED (Continued)

According to MOP personnel, maintenance-related parts are obtained with difficulty from the Department of Correction's Lakes Region Facility. If the needed part is not available the MOP must wait for the part to be ordered and received. For example, the MOP has scavenged light bulbs from unused rooms because maintenance had none available.

The Spaulding Building lease for the period July 1993 through June 1995, and a Memorandum of Agreement for the period July 1995 through June 1997 require the Department of Corrections to provide maintenance for the Spaulding Building. The MOP expended \$345,122 in rent for the building for the period FY 1988 through FY 1995, yet received little maintenance support from the Department of Corrections. Additionally, OADAP reported spending \$432,511.50 in capital expenditures for the MOP. OADAP's business manager reported this amount was spent on a lift, a handicap accessible bathroom, roof repair, a new electrical system, a new kitchen, and other general repairs prior to the MOP opening.

#### RECOMMENDATION:

**The Bureau of Substance Abuse Services should move the MOP to a smaller, more adequately maintained building that meets client attendance demands.**

#### AUDITEE RESPONSE:

*Concur in part. Chapter 307 of the Laws of 1995, paragraph #2 of the General Section basically requires that if space is available in state owned buildings, agencies must use that space before renting privately owned space.*

*The outward physical condition of the Spaulding Building (MOP) is not under the direct control of the MOP, which sometimes inhibits expedient maintenance repairs. However it does meet Americans with Disabilities Act and life safety codes, while it is doubtful that any vacant state building would meet any of these codes. Therefore substantial expenditures would be needed to bring a different building into compliance.*

*Lastly, we are unable to determine whether there would be cost savings in rental costs. Presently, we pay the Department of Corrections \$5.16/sq. foot. An informal survey found this cost was the least expensive. Rental costs for the central Bureau of Substance Abuse Services space is \$6.97/sq. foot; the costs at the Health and Human Services Building is \$7.27/sq. foot; and the cost at the Department of Resources and Economic Development are \$8.00/sq. foot. All these costs include heat, water and electricity as we have in Laconia.*

## 2. PROGRAM OPERATING DEFICIT (Continued)

### 2.2 MOP FEES

Our analysis of the program operating deficit indicated that even if all MOP clients paid their fees in full, which they do not, the program would still be running at a deficit. This is because the MOP fee is insufficient to meet current expenses. MOP expenditures totalled \$4,109,831 through FY 1995. At that time the program had served a total of 4,624 clients, at an average cost of almost \$890 per client. With the combination of its current rate of expenditure, average attendance, the possibility of reduced fees for some clients, the program fee of \$675 per client will never allow the MOP to pay for itself as required by statute.

#### OBSERVATION NO: 5

##### MOP EXPENDITURES EXCEED POSSIBLE COLLECTIONS

By June 30, 1995, the Multiple Offender Program had accumulated an operating deficit of \$2,367,918. Of that operating deficit, \$1,146,849 (48.4 percent) was owed by clients who completed the program from

fiscal years 1989 through 1995. The remainder of the operating deficit, \$1,221,069 (51.6 percent) was due to program expenditures in excess of fees charged to MOP clients. From FY 1990 through FY 1995 expenditures exceeded possible revenues by \$201,000, on average, each year. As reported in Observations Nos. 1, 3, and 4, areas where expenditures may be excessive include food services, personnel, and rent.

RSA 172-B:2-b, III (b) requires the OADAP director to set MOP fees sufficient for the program to be self-supporting. The MOP fee is set too low for the number of clients actually attending the program. According to OADAP and MOP personnel the original \$550 program fee was set according to estimates of program need that were too low. A subsequent fee increase to \$675 in 1991 was also based on attendance estimates which proved to be too low.

One attempt by the Legislature to expand the program's scope has not been successfully implemented. Chapter 273:5 of the Laws of 1993 authorized OADAP to establish a two-year pilot program and develop cooperative agreements with district courts for the MOP to accept clients other than DWI clients. Program management developed cooperative agreements with only one district court and had served only four such clients in FY 1995.

The MOP is, and will continue, accumulating a significant operating deficit that will never be offset by client fees. More than half of the current deficit may have to be paid by the State, either through a special appropriation from the general fund or from another source.

## 2. PROGRAM OPERATING DEFICIT (Continued)

### 2.2 MOP FEES (Continued)

#### OBSERVATION NO. 5: MOP EXPENDITURES EXCEED POSSIBLE COLLECTIONS (Continued)

##### RECOMMENDATION:

MOP expenditures for personnel, food services, and rent should be reduced. The program fee should be increased, in accordance with RSA 172-B:2-b, III (b) and should be set according to actual program attendance rates.

##### AUDITEE RESPONSE:

*Concur. The program fee has been increased to \$950 per week to reflect program costs and collections will be improved with the Division of Mental Health and Developmental Services, Office of Reimbursement now spearheading that effort. A review of personnel costs and food costs will be made to determine what savings can be made in those areas. Rental costs were discussed in our response to Observation No. 4.*

# STATE OF NEW HAMPSHIRE MULTIPLE DWI OFFENDER PROGRAM

## COLLECTIONS

### 3. COLLECTIONS

As noted in the previous section the MOP has yet to be self-supporting as required by statute. This failure is really a three-part problem. First, the program has been staffed but has never operated at capacity. Second, the fee is too low to meet program expenses, and, third, many MOP clients on payment plans have not met their obligation for timely payment of the program fee. We have already analyzed and discussed the first two issues. In this section we examine the third essential element for the MOP to be self-supporting, the collection process.

When clients enter the MOP on Fridays, they complete a financial statement with the help of a counselor. This statement serves as documentation for establishing payment amounts and reduced fees when applicable. Some payments are also received at this time. On Wednesdays, a dorm supervisor will review the payment agreement with those clients seeking a payment plan. All payment agreements require that at least \$55 be paid each month. Clients are instructed by the dorm supervisor and given written notice on the payment agreement that if they are unable to pay \$55 per month, they should contact the case technician at the OADAP office in Concord before the first payment is due. The client is required to sign the payment agreement and the agreement is notarized.

When payments are made each month, statements are sent to the client indicating the payment history and the current outstanding balance. "Dunning" letters are sent to clients who have not made a payment in three statement cycles. The client is also warned that contempt petitions may be filed if payment is not received. Clients are coded as inactive if three dunning letters are returned undeliverable and the post office can not provide an address. According to the MOP, as of June 30, 1995, 1,215 (54.5 percent) accounts were coded inactive out of a total of 2,231 outstanding accounts. Driver's licenses are not reissued to MOP clients if program fees are not paid in full.

We observed numerous inadequacies in the MOP's collection process which contribute to the program's operating deficit. Overall, we found the program's collection process had inadequate procedures, lacked oversight and interest on behalf of management, underutilized existing collection tools, and improperly instituted a late fee. In the face of mounting deficits, the MOP has failed to develop any strategy to get the program's collection efforts back on track. Instead, it relies on the State's general fund to make up the difference between its receipts and expenditures, which

### 3. COLLECTIONS (Continued)

is contrary to statutory requirements. Further, the program has created and reinforced an impression among clients that the MOP is not genuinely interested in collecting its fees in a timely manner.

#### 3.1 COLLECTION PROCEDURES

When we reviewed the MOP's collection process, we found problems with its approach and practices. We determined that the MOP's collection procedures are inadequate and existing payment procedures are insufficient. Additionally, the MOP does not attempt to verify a client's financial assets, further frustrating an ineffective collection operation.

#### OBSERVATION NO. 6

##### INEFFECTIVE COLLECTION PROCEDURES

As reported in Observation No. 5, as of June 30, 1995 the MOP had accumulated a operating deficit of \$2,367,918 as reported in the State's accounting system. The MOP has the only significant operating deficit in the State's General Fund as reported in the State's Comprehensive Annual Financial Report. Of the \$2,367,918 operating deficit at June 30, 1995, \$1,146,849 (48.4 percent) is owed by clients who have completed the program from fiscal years 1989 through 1995 as presented below.

**TABLE 4**

**MOP'S OUTSTANDING ACCOUNTS**

FISCAL YEAR CLIENT ENTERED MOP	NUMBER OF OUTSTANDING ACCOUNTS AT 6/30/95	OUTSTANDING BALANCE AT 6/30/95
Year Ended 6/30/89	19	\$ 8,830
Year Ended 6/30/90	225	94,508
Year Ended 6/30/91	245	115,408
Year Ended 6/30/92	322	163,969
Year Ended 6/30/93	428	238,238
Year Ended 6/30/94	487	252,714
Year Ended 6/30/95	505	273,182
TOTALS	2,231	\$ 1,146,849

Source: LBA analysis of MOP data

### 3. COLLECTIONS (Continued)

#### 3.1 COLLECTION PROCEDURES (Continued)

##### OBSERVATION NO. 6: INEFFECTIVE COLLECTION PROCEDURES (Continued)

Of the 2,231 outstanding accounts totalling \$1,146,849, we have deemed 1,398 accounts totalling \$755,130 to be seriously delinquent. Seriously delinquent has been defined as those accounts on which no payment has been received since before July 1, 1994, if ever. As of June 30, 1995, nearly 66 percent of the outstanding balance was **at least** one year in arrears.

The collections process is ineffective and the OADAP management does not have a plan in place to improve the process. The majority of clients do not pay amounts owed until they attempt to have driving privileges reinstated, which at a minimum is three years after completing the program. There is no interest charged on amounts in arrears and no penalties imposed for not paying, therefore clients have no incentive to pay timely.

As of June 30, 1995, almost 493 clients who attended the MOP prior to FY 1992 still owed the program an average of \$444 each. Contrary to an opinion expressed by OADAP and MOP management personnel, it appears that eligibility to have driving privileges reinstated does not provide adequate incentive for clients to make payments.

Based on inquiry of program personnel and the evaluation of account payment history, it appears that upon entering the program the importance of making timely payments is not sufficiently stressed. Indeed, as indicated during interviews with MOP personnel, clients may arrive at the program with no intention of making even a down payment, as they may have heard that the program is a "soft touch." As will be discussed in Observation No. 7, clients are instructed to sign the \$55 per month payment agreement and to call Concord if they are unable to make the payments. From the beginning, the client is not given the impression that payment agreements are taken seriously.

##### RECOMMENDATION:

BSAS management should develop a plan for increasing collections from past, current and future MOP clients. This plan should include procedures for implementing measures currently within BSAS's statutory authority and any additional authority the agency plans to request from the Legislature.

##### AUDITEE RESPONSE:

*Concur. Effective January 8, 1996 the Commissioner of Health and Human Services approved the transfer of the responsibility for collections to the DMH&DS, Office of Reimbursements.*

### 3. COLLECTIONS (Continued)

#### 3.1 COLLECTION PROCEDURES (Continued)

##### OBSERVATION NO. 6: INEFFECTIVE COLLECTION PROCEDURES (Continued)

###### AUDITEE RESPONSE (Continued):

*The Office of Reimbursements currently has procedures for collection processes which have been instituted for the MOP. Application of these procedures along with other legal action and administrative changes have increased collection of revenue in the last quarter.*

*We recognize the misleading information in the brochures and have revised the pamphlets.*

##### **OBSERVATION NO. 7**

###### **LAX PAYMENT SCHEDULE PROCEDURES**

Written policies and procedures for establishing payment schedules for MOP clients are inadequate. Currently, the vast majority of MOP clients sign agreements requiring payments of \$55 per month upon completion of the program, regardless of ability to pay. Clients that can afford to pay more than \$55 per month are not required to do so, while those for whom that amount is a hardship may decide to pay nothing.

The payment agreement form is completed during the client's stay at MOP-Laconia and is notarized by a MOP employee. However, clients are told to call OADAP in Concord and work out another agreement if they are unable to make these payments. There are no written procedures for staff in Concord to refer to when renegotiating payment schedules.

###### **RECOMMENDATION:**

**BSAS should ensure that reasonable payment schedules are negotiated with each MOP client according to income and ability to pay. BSAS may wish to develop a payment schedule, specifying recommended payment amounts according to income levels. BSAS should develop and implement procedures that determine when and under what conditions payment schedule renegotiation is authorized and what approvals are required.**

###### **AUDITEE RESPONSE:**

*Concur. The payment agreement negotiations are now the responsibility of the DMH&DS, Office of Reimbursements.*

### 3. COLLECTIONS (Continued)

#### 3.1 COLLECTION PROCEDURES (Continued)

##### OBSERVATION NO. 7: LAX PAYMENT SCHEDULE PROCEDURES (Continued)

###### AUDITEE RESPONSE (Continued):

*The form has been revised. Payment agreements are based on individualized ability to pay and negotiated with a financial agent. The form clearly states that all future contact regarding financial arrangements are to be made with Office of Reimbursements.*

*The standard of \$55.00 minimum payment per month has been discontinued and replaced with individualized ability to repay for services rendered.*

##### **OBSERVATION NO. 8**

<b>INSUFFICIENT VERIFICATION OF CLIENT FINANCIAL STATEMENTS</b>
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Each MOP client is expected to pay the entire program fee on the date of admission, unless a payment plan has been arranged. A reduced fee is available to any client whose gross annual income is at or below the

federally established poverty level.

Administrative Rule He-A 803.02 (e) (expired) requires documentation of income be submitted prior to or at the time of program admission. Acceptable documentation includes the client's three most recent pay stubs, or a letter verifying receipt of financial aid, such as aid to families with dependent children or unemployment benefits. We can assume that verification of the submitted information is a necessary corollary for it to be termed "acceptable." If a client does not qualify for a reduced fee and is unable to pay the fee at the time of admission, a payment plan may be arranged.

We interviewed MOP personnel responsible for coordinating reduced fees and payment plans. They reported to us that the program makes no effort to verify client financial information.

Failure to verify a client's total financial resources means the program has no objective way to determine ability to pay. Clients with bona fide reasons to receive a reduced fee must first agree to pay the full amount and then renegotiate for a reduced fee at a later date, causing additional and wasteful expenditures of State resources. MOP's failure to verify financial resources also conveys a message to clients that the program does not consider fee payments to be a serious matter, and there is no incentive for clients to make their payments in a timely manner as they have agreed. As a result, the program fails to meet its statutory responsibility to be self-supporting.



### 3. COLLECTIONS (Continued)

#### 3.1 COLLECTION PROCEDURES (Continued)

##### OBSERVATION NO. 8: INSUFFICIENT VERIFICATION OF CLIENT FINANCIAL STATEMENTS (Continued)

The MOP appears to be either unable or unwilling to verify client financial statements. The MOP administrator stated it is the case technician's responsibility to verify the statements but is unaware of how or if the case technician does it. The case technician is under the impression she is not supposed to do it.

##### RECOMMENDATION:

The MOP should strengthen and follow the procedures and practices used to verify the accuracy of financial statements made by clients. The MOP should ensure clients receive prior notice that they will be required to provide physical proof, such as pay stubs or third party verification of income, upon entrance to the program. In addition, the MOP should verify such information before accepting the client's statements as true. To enhance accountability in this area, the MOP supervisory personnel should develop a method to periodically check client files to determine if the proper confirmation of the financial statements has been obtained and implement corrective actions when necessary.

##### AUDITEE RESPONSE:

*Concur. With the transfer of these functions to the Office of Reimbursements, a financial statement including release of financial information which can be used to verify income is available. The financial agents will conduct individual interviews to obtain financial information and authorization to verify information as well as negotiating and recommending repayment plans.*

*The financial files and responsibility have been transferred to the Office of Reimbursements.*

### 3. COLLECTIONS (Continued)

#### 3.2 CURRENT COLLECTION METHODS

The MOP has at its disposal techniques to augment its collection efforts which it has not used and has used another collection method improperly. We found that the program does not require, as allowed by law, Phase II clients to pre-pay program fees prior to entering the MOP. In addition, the MOP has the authority, but does not use, contempt of court petitions against clients who fail to fulfill their obligations. We also found that the MOP tried to impose a late fee but did not secure the proper authority to do so.

#### OBSERVATION NO. 9

**PHASE II CLIENTS SHOULD BE  
REQUIRED TO PRE-PAY PROGRAM FEE**

RSA 172-B:2-b, II and the instruction pamphlet "for the Driver Convicted of DWI" issued by OADAP require that Phase II clients make full payment upon entering the program. We found evidence where

clients are not making full payment as a prerequisite of admission to the program and instead are placed on payment plans. OADAP's director indicated the law did provide the agency with latitude to make Phase II clients pay, and stated no attempt to change the law to require payment has been made. The MOP administrator indicated an attorney discovered a "glitch" in the law which precludes the program from requiring prior payment in full.

Unlike second and subsequent DWI offenders, Phase II clients schedule attendance at the MOP at their convenience. The MOP administrator indicated Phase II clients will always make full payment prior to getting back their licenses.

#### RECOMMENDATION:

Phase II clients should make payment in full upon entering the MOP as required by statute and BSAS literature. If RSA 172-B:2-b, II is unclear regarding the fee payment obligations of Phase II clients, the BSAS should request the statute be made unequivocal. MOP procedures should ensure that Phase II clients are notified when scheduling their attendance at the program that payment in full must be made upon arrival or admittance to the program will be denied.

#### AUDITEE RESPONSE:

*Concur. RSA 172-B:2b II clearly states that Phase II clients must make full payment upon entering the Program. We will follow the law. Misleading language in the pamphlet will be corrected.*

### 3. COLLECTIONS (Continued)

#### 3.2 CURRENT COLLECTION METHODS (Continued)

##### OBSERVATION NO. 10

###### INSUFFICIENT USE OF CONTEMPT OF COURT AUTHORITY

Clients not paying the full program fee at the time of admission to the MOP agree to a payment plan. Before these clients leave the MOP facility, they receive a copy of the agreement and a coupon sheet with 12

blocks to cut out and mail with payments to the OADAP. If a client does not send in a payment within three statement cycles, OADAP sends dunning letters notifying the client of the amount due. A statement is stamped on the letter warning that the client is in violation of the payment agreement and contempt petitions may be filed in court. In 1993 one MOP employee and a district court clerk developed a draft contempt petition for use in a proposed pilot program in Hampton District Court. The pilot program was never implemented.

RSA 263:65-a, III defines payment of MOP fees as part of "successful completion" of program requirements and allows the MOP to file contempt of court charges against an offender who is delinquent in paying the assessed fees. RSA 265:82-b, I (2) subjects a client to 30 days in a county correctional facility for failure to complete program requirements. The MOP does not and has not filed contempt petitions against clients overdue in fulfilling their payment obligations.

As reported in Observation No. 6, by June 30, 1995, the MOP had over \$1.1 million due in accounts receivable. Of this amount, \$755,000 (68.6 percent) is seriously delinquent (over one year in arrears) and another \$120,000 (10.9 percent) is 120 days or more overdue. Given this situation, the MOP should avail itself of all possible collection tools at its disposal. While the DMV will not restore driving privileges to those who have not paid the MOP fees, use of contempt petitions will demonstrate to non-paying clients that the OADAP is serious about collecting program fees in a more timely manner.

The MOP appears to be unwilling to file contempt petitions against delinquent clients. Interviews with senior MOP and OADAP management disclosed that they do not know why the agency does not use this collection tool. One administrator speculated that it would not be cost effective and that the courts would not enforce it. No evidence was offered to support this contention.

3. COLLECTIONS (Continued)

3.2 CURRENT COLLECTION METHODS (Continued)

OBSERVATION NO. 10: INSUFFICIENT USE OF CONTEMPT OF COURT AUTHORITY AUTHORITY (Continued)

RECOMMENDATION:

The MOP should implement a pilot program, focusing on a few cases, to test the use of contempt petitions and assess its effectiveness and efficiency. An analysis should be conducted of client financial statements to ascertain which cases may respond more readily to a contempt petition. Through a pilot program, an objective determination can be made of the utility of this approach.

AUDITEE RESPONSE:

*Concur. The DMH&DS is investigating with the Attorney General's Office how to use the contempt proceedings. We fully anticipate using contempt proceedings where the statutes allow and there is a cost/benefit to the State. We will put a process in place to accomplish this wherever possible. We are utilizing the Small Claims Court for delinquent accounts less than 3 years old per the Attorney General's opinion.*

OBSERVATION NO. 11

UNAUTHORIZED CHARGES	LATE	PAYMENT	FEE
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The MOP levied a late fee against its clients without authorization. In response to the large number of clients who owed money, the program began charging a late fee in December 1991. The MOP's case

technician initiated the fee apparently under her own authority and received at least tacit approval for the fee by OADAP and MOP management at some point shortly thereafter. The decision upon whom to impose the fee was determined by the case technician without the benefit of any established criteria or written guidelines. Imposition of such fees was recorded manually on client cards for some clients, for others it was noted on their payment agreement form, and still others had the fee noted in their computer record. The practice of charging the fee was ended by the OADAP director in June 1995. It is unclear why it took over three years for the unauthorized late fee to be eliminated.

According to RSA 541-A:1, XV, an administrative rule prescribes or interprets "an agency policy, procedure or practice requirement binding on persons outside the agency..." including the general public. In addition, RSA 541-A:16, I (b) requires each agency adopt rules of practice, in addition to other statutory rulemaking requirements, that set forth the

### 3. COLLECTIONS (Continued)

#### 3.2 CURRENT COLLECTION METHODS (Continued)

##### OBSERVATION NO. 11: UNAUTHORIZED LATE PAYMENT FEE CHARGES (Continued)

"nature and requirement of all formal and informal procedures available...." With appropriate legal authority State agencies, for example, the Department of Revenue Administration under RSA 21-J:28, may impose penalties for overdue payments.

The MOP has imposed a fee that affects the public without the statutory authority to do so. While a late fee may assist in the MOP's collection efforts, it can not be assessed without appropriate authority nor without following proper procedures, as required in RSA 541-A.

We believe that a properly authorized late fee is an appropriate collection tool. It would send a signal to clients that the MOP is serious about collecting program fees and may motivate more clients to pay in a timely manner.

##### RECOMMENDATION:

The BSAS should seek statutory authority to impose a late fee and promulgate administrative rules according to the process outlined in RSA 541-A. Written notice of a possible penalty should also be provided to the client at the time that fee payment plans are negotiated. The BSAS should adopt and communicate to clients and employees clear timelines and criteria under which a client would be subject to a late fee.

##### AUDITEE RESPONSE:

*Concur in part. The Office of Reimbursements does not currently impose late fees due to its ability to repay procedures. We prefer to implement our procedures with a future review to determine if our procedures are effective before imposing a late fee mechanism. If our procedures do not produce satisfactory results, we will consider a late fee mechanism, as well as other collection techniques.*

# STATE OF NEW HAMPSHIRE MULTIPLE DWI OFFENDER PROGRAM

## MANAGEMENT CONTROLS

### 4. MANAGEMENT CONTROLS

Effective management controls are essential to achieving the proper conduct of government business with full accountability for the resources made available. Controls facilitate the achievement of management objectives by serving as checks and balances against undesired actions. Controls are also intended to ensure that reliable data are obtained, maintained and, fairly disclosed in reports and that the agency complies with laws and regulations.

Management controls consist of an agency's methods, policies, and procedures for defining the internal work processes of the agency, for meeting its operational goals and objectives, and for ensuring compliance with State laws and regulations.

We assessed MOP management controls to determine whether controls were documented, supported by management, consistently applied, and timely. We examined key elements of the control structure including the production and maintenance of management information data, supervisory review over financial management procedures, and compliance with laws, rules, contracts, and policies and procedures.

At the beginning of our audit we discovered that MOP client records were kept in both automated and manual formats, located in multiple places, and could not be easily accessed. Records for clients who have paid their fees are maintained at the program's location in Laconia, while records for clients who are in receivable status are kept in the OADAP's Concord office. At the start of our field work some records for clients in receivable status were automated but many pre-1993 records were still in manual format. Subsequently, all client records in receivable status were entered into an electronic format by the completion of our fieldwork. We also reviewed the transfer to OADAP's central office of the case technician who performs basic bookkeeping functions for the MOP. The case technician reports for supervision to OADAP's administrator in charge of management information systems and block grants, who has little or no other responsibility regarding the MOP. We also examined the extent of oversight and direction the case technician receives from management. In addition, we reviewed all policies and procedures that the MOP has with regard to both financial and program operations.

We determined that the MOP's management control structure needed improvements to ensure efficient operation and to minimize the potential for fraud and abuse. We reviewed potentially fraudulent actions concerning missing deposits and unauthorized borrowing from cash receipts and observed numerous weaknesses in the procedures performed by those responsible for

#### 4. MANAGEMENT CONTROLS (Continued)

collecting, depositing, and recording receipts, and for reconciling bank accounts. We also noted several deficiencies in the control structure at the MOP and the OADAP. In addition, policies and procedures were minimal or nonexistent in both the financial management and program operations areas. Finally, we found three instances of noncompliance with statutory law and administrative regulations.

##### 4.1 QUESTIONABLE ACTIONS

During the course of the audit we became aware of two situations which we considered to be highly irregular and potentially fraudulent. We believe that the following observations represent serious gaps in the MOP's management control structure deserving of immediate attention.

###### OBSERVATION NO. 12

###### MISSING DEPOSITS TOTTALLING \$795

The MOP Accounts Receivable System (the System) is used to track approximately 3,500 client accounts, 2,231 of which had outstanding balances totalling over

\$1.1 million owed to the State of New Hampshire as of June 30, 1995. Reconciliation procedures revealed that total amounts charged clients (debits) less total amounts paid, reduced, etc. (credits) differed from the total outstanding balance reported by the System at June 30, 1995, by \$700.

We performed additional audit procedures to determine the nature and cause of the \$700 variance in the MOP Accounts Receivable System. Every cash receipt form issued by MOP-Laconia from January 1994 through June 1995 was reviewed and agreed to the appropriate Form A-15, Daily Record of Receipts, and to the bank deposit receipt. All cash receipt forms from October 1992 to January 1994 were reviewed, however the A-15 forms for the same period could not be located by MOP or OADAP.

Based on the additional audit procedures performed, we have concluded that on six days from February 1994 through July 1994, a total of \$795 was collected from clients by personnel at MOP-Laconia, but the money was never deposited in the bank.

Table 5 provides the specific cases where deposits were not made. Numbers 1 - 4 are instances where clients paid in person and were provided with cash receipt forms, yet the amount received was never recorded on a Form A-15 and deposited. Numbers 5 - 12 represent checks received by mail at MOP-Laconia and reported on A-15 forms for two days. These checks appear to never have been deposited.

#### 4. MANAGEMENT CONTROLS (Continued)

##### 4.1 QUESTIONABLE ACTIONS (Continued)

###### OBSERVATION NO. 12: MISSING DEPOSITS TOTTALLING \$795 (Continued)

We believe that OADAP management was aware of missing bank deposits from February 1994 to July 1994, as evidenced by the approval of adjustments to client accounts in the System for those amounts that were received but never deposited. While OADAP management was aware of the apparent fraud, there was no change in personnel nor in the procedures for collecting receipts at MOP-Laconia. We found no evidence of deposits missing after July 1994, however, the procedures in place at MOP-Laconia for collecting, depositing and recording cash receipts continue to lack proper segregation of duties, thereby allowing a significant weakness in the internal control structure to exist. Current procedures will not prevent or detect this type of irregularity from recurring.

**TABLE 5**

**MISSING DEPOSITS**

No.	Receipt Date	Amount Received	Amount NOT Deposited
1	1/7/94	\$50	\$50
2	2/6/94	\$400	\$400
3	2/25/94	\$295	\$20
4	5/20/94	\$25	\$25
5	6/29/94	\$25	\$25
6	6/29/94	\$25	\$25
7	6/29/94	\$25	\$25
8	6/29/94	\$75	\$75
9	6/29/94	\$25	\$25
10	7/11/94	\$50	\$50
11	7/11/94	\$25	\$25
12	7/11/94	\$50	\$50
TOTAL NOT DEPOSITED			\$795

Source: LBA analysis of MOP data



#### 4. MANAGEMENT CONTROLS (Continued)

##### 4.1 QUESTIONABLE ACTIONS (Continued)

###### OBSERVATION NO. 12: MISSING DEPOSITS TOTTALLING \$795 (Continued)

###### RECOMMENDATION:

Procedures at MOP-Laconia for collecting, depositing and recording cash receipts should be changed immediately to properly segregate duties. The individual responsible for preparing deposits should not also be responsible for preparing the Form A-15, because the A-15 is the document used by Concord to record revenue and update client accounts. The revenue should be recorded on the A-15 from the cash receipt forms and the total agreed to the bank deposit by an individual independent of the collecting and depositing of receipts.

###### AUDITEE RESPONSE:

*Concur. New procedures have been developed for collecting, depositing and recording cash receipts. The new procedures are as follows: Financial Agent collects the cash from the client, reports the transaction on an A-15 and issues a pre-numbered receipt.*

*A MOP staff member prepares the A-17 report of receipts for deposit directly to the treasurer through a Laconia bank. This staff member will send a copy of the A-17 to staff at BSAS for entry into the Integrated Financial System. The Office of Reimbursements will reconcile monthly the automated accounts with New Hampshire Integrated Financial System (NHIFS) and the A-17s.*

###### OBSERVATION NO. 13

###### UNAUTHORIZED SHORT-TERM BORROWING

In order to determine that all receipts were recorded and deposited in a timely manner, we traced every cash receipt issued by MOP-Laconia between January 1994 and June 1995 to the appropriate Form A-15, Record of Daily Receipts, and to the bank deposit receipt. (MOP and OADAP were unable to provide A-15 forms and most cash receipts prior to January 1994.) In the 18-month period reviewed, we noted 21 instances of apparent "borrowing" from the cash receipts. These instances can be categorized into four types of "borrowing" as indicated below.

###### **A) Splitting client cash payments into two deposits:**

There were three instances of splitting client cash payments into two deposits. For example, a cash receipt was issued to a client on March 25, 1994, for \$200 cash received, \$100 was deposited for this client on March 25, 1994, and another \$100 was deposited on April 1, 1994.

#### **4. MANAGEMENT CONTROLS (Continued)**

##### **4.1 QUESTIONABLE ACTIONS (Continued)**

###### **OBSERVATION NO. 13: UNAUTHORIZED SHORT-TERM BORROWING (Continued)**

- B) Amounts collected from clients on Tuesday and deposited on Friday, even though other deposits were made during the week:**

There were six instances where cash collected from clients on Tuesday was not deposited until Friday even though other deposits were made during the week. It appears that amounts collected from clients in person on Tuesday were held until the next group of clients arrived on Friday, rather than depositing payments with the mail receipts.

- C) Amounts collected on Friday from some incoming clients were deposited on the following Monday, even though other deposits were made on Friday:**

There were five instances of collecting on Friday and depositing some client payments on Monday, when all other client payments made on Friday were deposited that day. For example, receipt number 3476 for \$200 cash was issued on Friday, February 10, 1995, in sequence between other receipts that were deposited and recorded on Friday, February 10, 1995. However the \$200 cash associated with receipt number 3476 was not deposited and recorded until Monday, February 13, 1995. In the other four instances (all occurring between February 1995 and April 1995), the receipt that was deposited on Monday was the last receipt of the previous Friday and was for \$50 cash.

- D) Holding client payments for up to a week before depositing, even though other deposits were made in the interim:**

There were seven instances of holding client payments for up to a week before depositing into the bank with no apparent pattern between the day collected and day deposited.

RSA 6:11 requires that amounts paid to the State be deposited daily. Splitting client payments into two deposits and intentionally holding cash receipts violate RSA 6:11, and give the appearance that fraudulent activity is occurring through unauthorized short-term borrowing of State funds. The untimely depositing of cash receipts was not detected in the normal course of operations because of the lack of segregation of duties over collection procedures at MOP-Laconia.

#### 4. MANAGEMENT CONTROLS (Continued)

##### 4.1 QUESTIONABLE ACTIONS (Continued)

###### OBSERVATION NO. 13: UNAUTHORIZED SHORT-TERM BORROWING (Continued)

###### RECOMMENDATION:

BSAS management should issue written directives requiring all amounts collected be deposited within one day of receipt in accordance with RSA 6:11.

Procedures at MOP-Laconia for collecting, depositing and recording cash receipts should be changed immediately to properly segregate duties. The employee responsible for preparing deposits should not also be responsible for preparing the Form A-15, because the A-15 is the document used by Concord to record revenue and update client accounts. The revenue should be recorded on the A-15 from the cash receipt forms and the total agreed to the bank deposit by an individual independent of the collecting and depositing of receipts.

###### AUDITEE RESPONSE:

*Concur. Segregation of duties has been addressed. All money collected will be deposited as required by RSA 6:11.*

##### 4.2 INADEQUATE CONTROL STRUCTURE

We found the forgoing questionable actions to be the result of an ineffective management control environment at the MOP and the OADAP. We also discovered inadequacies in the security over the accounts receivable system, insufficient policies and procedures for program and administrative staff, as well as inadequate client file creation and maintenance procedures. We also found the MOP has unnecessarily taken responsibility for providing vending services to clients.

###### OBSERVATION NO. 14

<b>INEFFECTIVE STRUCTURE MANAGEMENT</b>	<b>INTERNAL CONTROL ESTABLISHED BY</b>
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Management is responsible for establishing and maintaining an internal control structure. The objectives of an internal control structure are to provide management with reasonable assurance that assets are safeguarded against loss

from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and that they are recorded properly.

#### 4. MANAGEMENT CONTROLS (Continued)

##### 4.2 INADEQUATE CONTROL STRUCTURE (Continued)

###### OBSERVATION NO. 14: INEFFECTIVE INTERNAL CONTROL STRUCTURE ESTABLISHED BY MANAGEMENT (Continued)

OADAP management has not established and maintained an effective internal control structure over the MOP, resulting in significant weakness in the procedures followed by the program. It is critical that OADAP management develop procedures and monitor the results of those procedures to have an effective operation. Discussed below are some of the problems that management must address when instituting such a control structure:

- There are no written policies and procedures concerning the accounts receivable and collection function for the MOP.
- OADAP management appears to lack a clear understanding of the procedures performed by those collecting and depositing cash, recording revenue, reconciling bank accounts, and billing client accounts.
- OADAP management has given one employee sole responsibility for maintaining and updating the records in the MOP Accounts Receivable System, billing all MOP accounts, renegotiating payment agreements previously signed by clients, writing-off accounts for reasons of bankruptcy or death, and reconciling bank account activity to the MOP System. These responsibilities are performed by the employee with minimal assistance and oversight.
- Further evidence of the lack of management oversight is provided by the procedures performed during the conversion from the manual ledger to the automated MOP Accounts Receivable System in November 1993. A conversion to an automated system is a significant undertaking, and associated with any conversion is the risk that errors could occur and go undetected. Yet for the MOP conversion, there were no reconciliations reviewed or approved by management and there was no specific cutoff date given for client accounts that were not to be keyed into the System. As a result, meaningful reconciliations and aging schedules can not be prepared using data since the inception of the program.

###### RECOMMENDATION:

BSAS should establish and maintain an effective internal control structure over the Multiple Offender Program. Management should thoroughly examine and gain an understanding of the current accounting system in order to identify all weaknesses and make a determination of the controls to be implemented. As part of an effective internal control structure, management should provide adequate supervisory review. Procedures should be updated and monitored so that sufficient control is achieved over the MOP program.

#### 4. MANAGEMENT CONTROLS (Continued)

##### 4.2 INADEQUATE CONTROL STRUCTURE (Continued)

###### OBSERVATION NO. 14: INEFFECTIVE INTERNAL CONTROL STRUCTURE ESTABLISHED BY MANAGEMENT (Continued)

###### AUDITEE RESPONSE:

*Concur. In reference to LBA Observation No. 14, the Office of Reimbursements has established policies and procedures concerning accounts receivable and collection functions. This historically has been the Office of Reimbursements primary function and responsibility. The current accounting system for the Multiple Offender Program is being reviewed and action will be taken to insure accuracy and accountability by instituting internal controls.*

###### OBSERVATION NO. 15

###### **INADEQUATE CONTROLS IN PLACE AT MOP-LACONIA**

The procedures in place at MOP-Laonia for collecting and depositing receipts and recording revenue from those receipts are inadequate to provide management with reasonable assurance that

errors or irregularities will be detected on a timely basis in the normal course of business.

- 1) There is a lack of segregation of duties. One employee is responsible for collecting cash and checks, issuing receipt forms to clients, preparing and making the deposit, and recording the revenue on the Form A-15, Daily Record of Receipts, which is used by Concord to update client accounts. Having one employee responsible for these incompatible functions places this person in a position to commit or conceal errors or irregularities that could go undetected.
- 2) Prenumbered receipts provide a good control when numbers issued are controlled and monitored. It is normal practice to use prenumbered receipt forms at MOP-Laonia, however there is no control over the receipt books or monitoring of receipt numbers issued. Between January 1993 and June 1995 we found eleven instances where receipts were voided yet the original had not been retained. The control provided by prenumbered receipt forms breaks down when all copies of voided receipts are not retained. In addition, we found receipts issued in July and August 1995 from a second receipt book that was not prenumbered and which is a different receipt form than all others issued by MOP-Laonia.

#### 4. MANAGEMENT CONTROLS (Continued)

##### 4.2 INADEQUATE CONTROL STRUCTURE (Continued)

###### OBSERVATION NO. 15: INADEQUATE CONTROLS IN PLACE AT MOP-LACONIA (Continued)

- 3) During our review of the cash receipts and A-15 forms we also found evidence of sloppy bookkeeping. Examples include:
- Receipt forms issued out of order, and with incorrect names, dates and amounts.
  - For three different clients, two separate receipts were issued to the client with the total of the two receipts exceeding the total program fee.
  - Other than the 21 instances of untimely deposits discussed in Observation No. 13, there were six instances of untimely deposits where amounts were collected and not deposited for two to three days.
  - All cash receipts and A-15 forms prior to January 1994 could not be located.

Sloppy bookkeeping accompanied by inadequate control procedures gives the appearance that the collection and recording of the MOP receipts is not a high priority for OADAP management and the MOP's employees.

###### RECOMMENDATION:

BSAS should develop and implement procedures at MOP-Laconia for collecting and depositing amounts received and recording revenue from those receipts that provide management with reasonable assurance that errors or irregularities will be detected on a timely basis in the normal course of business. Specifically, we recommend the following:

- 1) Incompatible functions should be segregated. If insufficient staffing is preventing ideal segregation of duties, management should study the procedures in place to provide the strongest controls with the resources available and monitor the controls once established.
- 2) Prenumbered receipts should be issued to all clients making payments. The receipts should be issued in numerical sequence and receipt numbers should be controlled. One way to accomplish this may be to include the receipt number issued to the client on the A-15 form. BSAS could then monitor the issuance of receipts.

#### 4. MANAGEMENT CONTROLS (Continued)

##### 4.2 INADEQUATE CONTROL STRUCTURE (Continued)

###### OBSERVATION NO. 15: INADEQUATE CONTROLS IN PLACE AT MOP-LACONIA (Continued)

###### RECOMMENDATION (Continued):

- 3) Records should be kept in an orderly fashion. Because of the nature of this program, clients may come back years later and request copies of receipts or the status of accounts. Without comprehensive organized records, it may be difficult to reconstruct amounts received from clients.
- 4) All copies of voided receipts should be retained.

###### AUDITEE RESPONSE:

*Concur. Under the procedures instituted by the Office of Reimbursements for MOP, incompatible functions have been segregated. Prenumbered receipts are being utilized, issued in numerical sequence and receipt numbers are controlled. The Office of Reimbursements has established client files for financial records which must be maintained in an orderly fashion.*

###### **OBSERVATION NO. 16**

<b>SECURITY OF MOP ACCOUNTS RECEIVABLE SYSTEM SHOULD BE IMPROVED</b>
--

The OADAP has minimal or no safeguards over the accounts receivable system. The system stores confidential information about the MOP clients including names, addresses, telephone numbers, social security numbers,

and personal financial information. A single password is used to "boot" the computer, but once on the system no password protection is provided for the accounts receivable system. The password is not changed on a regular basis. In addition, the case technician does most of the data entry, however, the door to her office is never locked when she is not there during business hours.

Prudent management practices require that an appropriate management control structure for electronic data processing systems be in place to ensure the security, reliability, and accuracy of data.

When insufficient security controls are in place to restrict access to electronic files, OADAP personnel or unauthorized persons are in the position to commit and conceal errors as well as fraud and abuse of State resources. Additionally, the work performed by OADAP staff may be impeded by unsanctioned alterations that could adversely affect the timeliness of tasks to be performed and the accuracy of data produced.

#### 4. MANAGEMENT CONTROLS (Continued)

##### 4.2 INADEQUATE CONTROL STRUCTURE (Continued)

**OBSERVATION NO. 16: SECURITY OF MOP ACCOUNTS RECEIVABLE SYSTEM SHOULD BE IMPROVED (Continued)**

It is management's responsibility for establishing and maintaining an appropriate management control structure. The OADAP has adopted minimal measures aimed at preserving the integrity of electronically-stored information. Modifications are necessary to prevent or detect errors and irregular acts that could compromise the accuracy of OADAP files.

**RECOMMENDATION:**

The BSAS should conduct a comprehensive review of the safeguards over the accounts receivable system. It should develop and adopt appropriate controls, such as log off and file modification tracking procedures, that would ensure errors or irregularities be discovered in a timely manner. In addition, procedures should be implemented that require each user of the system have their own password and that it be changed on a regular basis. The door to the case technician's office should be secured during off-hours and when access is not required. The procedures should be promulgated with the goal of preventing persons from having unauthorized access to the computer system.

**AUDITEE RESPONSE:**

*Concur. The DMH&DS has moved the stand alone accounts receivable system to the DPS6 mainframe computer. The system has numerous levels of security available through password protection. The staff authorized to use the system have been instructed and trained to use proper password protection and other security measures to protect the integrity of the system and ensure client confidentiality.*

**OBSERVATION NO. 17**

**OPERATING PROCEDURES  
INSUFFICIENTLY DOCUMENTED AND  
REFERENCED**

The MOP does not maintain formal written policies and procedures relating to program operations. The only documentation that the MOP has providing guidance in this area is a curriculum for second DWI offenders and a log book. The

curriculum broadly outlines the basic day-to-day activities that the clients complete while at the MOP. The log book is read by personnel at the start of their shift each day and records any notable incidents or other important program information. In its current format, it is impractical, if not impossible, for a new employee to glean the necessary program information



#### 4. MANAGEMENT CONTROLS (Continued)

##### 4.2 INADEQUATE CONTROL STRUCTURE (Continued)

###### OBSERVATION NO. 17: OPERATING PROCEDURES INSUFFICIENTLY DOCUMENTED AND REFERENCED (Continued)

from this log book. The log also contains some "procedures" for dorm supervisors. The procedures, consisting of two pages, are in a bulleted format and essentially relate to basic security issues and the timing of certain duties. There are no signatures or other identifying information on the documents or an indication of where to go for further clarification. No guidance is provided on who should be called or what should be done in the event of emergencies such as a fire or escape. Counselors, furthermore, are not furnished with any procedures which govern their duties or interactions with clients.

Similarly, the MOP has no policies and procedures for administrative staff. No written direction has been provided to staff regarding the maintenance of client files or the administration of the staff's day-to-day activities. Without formal direction, the clerks have developed some of their own procedures to perform their duties.

Program policies and procedures assist an organization in achieving its goals and objectives. Prudent management practices dictate that staff be aware of the program's organization and operating requirements, and that these requirements be communicated in a formal manner to minimize the possibility of any misunderstandings.

Policies and procedures help to ensure mutual understanding about operations and responsibilities between staff and management, minimize training time for management when hiring new staff, assign accountability, and assist with continuity of operations over time. Written procedures that are referenced and indexed provide personnel with an invaluable resource in assisting them with their day-to-day duties.

It is unclear why the MOP does not have formal written policies and procedures. Senior MOP and OADAP management have acknowledged the need for formal policies and procedures, but have not created a manual or any other formal documentation.

###### RECOMMENDATION:

The MOP should develop policies and procedures that relate to general program operations and to the activities of the administrative staff. These policies and procedures should be developed to clarify each employee's responsibility, avoid duplication of effort, facilitate the delivery of appropriate level of service, and ensure compliance with law, regulations and the program's mission. They should also be dated and indicate who issued the policy or procedure. In order to diminish the chance of misinterpretation, they should be communicated in a formal manner and stored in a readily accessible format.

#### 4. MANAGEMENT CONTROLS (Continued)

##### 4.2 INADEQUATE CONTROL STRUCTURE (Continued)

###### OBSERVATION NO. 17: OPERATING PROCEDURES INSUFFICIENTLY DOCUMENTED AND REFERENCED (Continued)

###### AUDITEE RESPONSE:

*Concur. Have realized that these projects should have been completed for some time. However, due to workload issues and no word processing capabilities, we have been unable to start these projects. They will be able to complete them by June 30, 1996.*

*The MOP Administrator and Supervisor III (Clinical Supervisor) will generate, with key staff input, written policies and procedures. A manual will be created in three-ring binders for each functional area. The manuals will be updated as needed.*

###### OBSERVATION NO. 18

###### **INADEQUATE PROCEDURES FOR CREATING AND MAINTAINING CLIENT FILES**

We reviewed a sample of 55 MOP client files, inventoried their contents, and assessed their general condition. We found the files are arranged according to the week and year that clients attend the program

and then alphabetically by the clients' last names. We found that intake documents were generally stapled to the left part of the file folders, while all other documents were stapled to the right half. However, this format was not always consistent from file to file or year to year.

We found that the MOP has no formal policies or procedures regarding file creation and maintenance. We also found no file tracking procedures for determining the location of missing files or contents.

Less than half the files we reviewed (47.3 percent) contained client financial statements, or a statement as to where this information could be found. We learned from interviews that financial information for all clients in payment status was stored separately at OADAP in Concord.

We also learned from interviews that file storage was a problem. Storage had become critical enough for the program to dispose of all previous client evaluation forms and anonymous surveys in December 1994. However, there was no checklist of required forms for each file and we found a total of 73 different documents in the 55 files we inventoried. Only 12 items, generally intake forms and clinical documentation, were found in each of the files. However, the program's referral form for aftercare was found in only 40.0 percent of the inventoried files, and the client evaluation form was found in only one file. Twenty-six files contained documents unique to that file.

#### 4. MANAGEMENT CONTROLS (Continued)

##### 4.2 INADEQUATE CONTROL STRUCTURE (Continued)

###### OBSERVATION NO. 18: INADEQUATE PROCEDURES FOR CREATING AND MAINTAINING CLIENT FILES (Continued)

Filed documents often contained notations written in the margins or over other written information. In some cases it was clear that these notations had been made after the creation date for the document. In other cases the date and origination of the notations were not clearly discernable.

Without formal procedures for creating and maintaining client files MOP personnel are left to their own judgements regarding what belongs in files and what does not. As a result, client evaluation forms are absent while other documents are placed in client files because no formal decision criteria exists regarding whether or not they belong there.

###### RECOMMENDATION:

The MOP should develop and implement procedures for creating and maintaining client files. These procedures should specify which forms are required to be contained in files and where they are required to be located in file folders. Client file procedures should also specify a file tracking system, require initialling and dating of all notations made on forms, and address all necessary and allowable instances for removing and separately storing documents such as client payment agreements and financial statements.

###### AUDITEE RESPONSE:

*Concur. Procedures will be developed and implemented for creating and maintaining client files.*

*There are numerous kinds of documents which would not be found in every file. Adult order of commitments not on all clients; depending on the case. Court referral forms are only received on some clients. Medical forms from the House of Corrections are received on some clients. DMV records are received on some clients and never in the beginning unless it is an unusual case. Do not receive incident reports on all clients. Client's group or individual written exercises done for one-on-one sessions with counselors. Medical or psychiatric reports are received on occasional clients. There are different releases of information for aftercare or medical exchange of information. There are forms from the Lakes Region General Hospital or clinic for clients taken to the Walk-In.*

#### 4. MANAGEMENT CONTROLS (Continued)

##### 4.2 INADEQUATE CONTROL STRUCTURE (Continued)

###### OBSERVATION NO. 18: INADEQUATE PROCEDURES FOR CREATING AND MAINTAINING CLIENT FILES (Continued)

###### AUDITEE RESPONSE (Continued):

*Other types of documents may be unique to some files. Client files can be maintained in a consistent manner to a point, and then there will be additional documents for some clients.*

###### **OBSERVATION NO. 19**

###### **VENDING MACHINE SERVICES SHOULD BE CONTRACTED OUT**

The MOP currently stocks candy, soda, cigarettes and sundry personal hygiene products within vending machines for clients to purchase. In addition to stocking the vending machines, MOP personnel also

maintain vending-related accounts, remove and roll machine coins, and make change for clients.

One dormitory supervisor reported spending most of one day each week on vending machine activity. We noted during our time study, for example that on October 5, 1995, this dormitory supervisor spent 57 percent of work time engaged in vending activities. Overall, this employee spent 6.1 percent of work time on vending operations during the time study period. Other MOP employees also reported vending-related activities during the time study.

The dormitory supervisor has kept a manual ledger for the vending machine account since the latter part of 1995. Previously, the account was maintained by the kitchen staff and supervised by the MOP administrator. The dormitory supervisor reported the MOP makes little to no profit on vending operations. Vending proceeds were reportedly used to restock machines, while profits were said to be used for purchasing prescription medications for clients, dry gas for MOP vehicles, and two safes for the program.

We could find no specific authority for the MOP to establish and maintain a vending-related account. In addition, supervisory control of the vending account appears to be minimal at best. Finally, using State employee resources to provide vending services for clients may keep vending prices lower for clients, but it diverts personnel from other necessary functions.

Two companies we contacted reported that they can provide complete vending services to the MOP at no cost. The companies reported the MOP can make a vending profit if they are willing to charge higher product prices to customers. Furthermore, one company reported providing change machines, typically at no charge.

#### 4. MANAGEMENT CONTROLS (Continued)

##### 4.2 INADEQUATE CONTROL STRUCTURE (Continued)

###### OBSERVATION NO. 19: VENDING MACHINE SERVICES SHOULD BE CONTRACTED OUT (Continued)

###### RECOMMENDATION:

The MOP should outsource all vending services.

###### AUDITEE RESPONSE:

*Concur. The BSAS will request proposals for vending machine services to begin October 1, 1996.*

##### 4.3 COMPLIANCE

As a part of State government, the MOP must operate within a framework of statutory and procedural restrictions. During the course of the audit we reviewed the MOP's governing statutes and related laws, administrative rules, contracts, and any written policies or procedures. We identified three instances of noncompliance with State statute and Division of Personnel administrative rules.

###### OBSERVATION NO. 20

###### UNAUTHORIZED MOP CHECKING ACCOUNT

Amounts collected at the MOP are deposited in a checking account at a Laconia bank. The bank account is in the name of MOP and the statements are sent to OADAP in

Concord monthly where they are reconciled. OADAP writes a check from the account monthly which is sent to the State Treasurer for deposit and recording of revenue in the State accounting system. RSA 6:11 requires amounts to be deposited into a State Treasurer's account directly or amounts are to be remitted to the treasurer daily.

###### RECOMMENDATION:

The MOP checking account should be closed. BSAS should work with the State Treasurer to establish procedures where MOP receipts collected in Laconia could be deposited directly to a State Treasurer's account.

###### AUDITEE RESPONSE:

*Concur. With the establishment of direct deposit to the treasurer through a Laconia bank the need for the checking account has ended, and has been closed.*

#### 4. MANAGEMENT CONTROLS (Continued)

##### 4.3 COMPLIANCE (Continued)

###### OBSERVATION NO. 21

**EXPIRED AUTHORITY REGARDING  
TRANSFER OF MOP CASE TECHNICIAN**

On November 18, 1993, the OADAP sought and received approval for a temporary transfer of the MOP Case Technician I from the facility in Laconia to OADAP's central office in Concord. The case technician is

responsible for establishing and maintaining client accounts, following up on delinquent payments, performing reconciliations, and other bookkeeping functions. The OADAP Director stated that it would be more efficient to consolidate the business function in Concord and appropriate to separate this function from the program component. In addition, it was reported that greater supervisory control could be exercised at the central office. Because of the transfer, the case technician reports to another OADAP administrator instead of the MOP administrator. The OADAP was granted a six month approval for the transfer, which expired in May 1994. As of October 31, 1995, the case technician still worked at the central office. The OADAP has not sought or obtained approval for a permanent transfer of the case technician or an extension of the original approval.

The OADAP is required to obtain approval from the State Director of Personnel to transfer an employee according to personnel rules (Per 302.02 (a) and (b)). Furthermore, Personnel Rule Per 302.01 (a) (1) and (2) requires that any modification in organizational structure that changes reporting relationships shall be recorded on an organization chart and submitted to the director for approval prior to the change.

The OADAP is not in compliance with State personnel rules. In addition, the organizational chart is misleading and does not convey to the reader the true reporting relationships that exist.

It is apparent that the OADAP is aware that permission from the Director of Personnel is required for the transfer of staff. It is unclear why the OADAP has not sought subsequent approval for a permanent transfer of the Case Technician I.

###### RECOMMENDATION:

The BSAS should examine whether or not the Case Technician I is properly placed within the organization. If so, the office should seek approval for permanent transfer or move the employee back to Laconia. Any reorganization should be consistent with program needs and State personnel rules.

#### 4. MANAGEMENT CONTROLS (Continued)

##### 4.3 COMPLIANCE (Continued)

#### OBSERVATION NO. 21: EXPIRED AUTHORITY REGARDING TRANSFER OF MOP CASE TECHNICIAN SHOULD BE MADE PERMANENT (Continued)

##### AUDITEE RESPONSE:

*Concur. With the transfer of the Office of Alcohol and Drug Abuse Prevention to the Division of Mental Health and Developmental Services, the Case Technician position has been assigned to the Office of Reimbursements. This position will continue to provide billing services to the Multiple Offender Program under the supervision of a Financial Agent.*

#### OBSERVATION NO. 22

**DORMITORY SUPERVISOR'S WORK  
ACTIVITY MORE CONSISTENT WITH A  
CLERICAL POSITION**

During our time study of MOP personnel, one dormitory supervisor reported engaging in significant amounts of non-dormitory supervisor activities. Analysis of time study data showed that 70.9 percent of the dormitory supervisor's work time was spent on non-dormitory supervisor activities. Non-dormitory supervisor activities included general administrative activities (24.5 percent) and client financial-related activities (12.0 percent). Neither of these activities are included on the dormitory supervisor's supplemental job description.

Because over 70 percent of the dormitory supervisor's actual duties and work assignments are not listed on the dormitory supervisor's supplemental job description, the employee's salary grade may be inaccurate, based on actual duties performed. Administrative rule Per 301.03(c) requires listing on the supplemental job description any work assignment affecting more than ten percent of the position's total working time. Administrative rule Per 301.03(h) allows for a determination by the director of the Division of Personnel as to whether the position should be reclassified.

##### RECOMMENDATION:

The MOP should request the Division of Personnel examine the dormitory supervisor's actual duties and work assignments and reclassify the position to an appropriate clerical position. The MOP should ensure the employee's supplemental job description is rewritten as required by administrative rule Per 301.03.

#### 4. MANAGEMENT CONTROLS (Continued)

##### 4.3 COMPLIANCE (Continued)

#### OBSERVATION NO. 22: DORMITORY SUPERVISOR'S WORK ACTIVITY MORE CONSISTENT WITH A CLERICAL POSITION (Continued)

##### AUDITEE RESPONSE:

*Concur. We agree that the Dormitory Supervisor who performs clerical duties is improperly classified. However, due to the departmental hiring freeze and program demands, it was important to have a staff member complete these clerical duties. The BSAS will request from the Division of Personnel that desk reviews be completed on all Dormitory Supervisor positions and clerical positions to insure each is properly classified.*



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# STATE OF NEW HAMPSHIRE MULTIPLE DWI OFFENDER PROGRAM

## PROGRAM EFFECTIVENESS

### 5. PROGRAM EFFECTIVENESS

Because the MOP has had a significant operating deficit throughout its history we began our performance audit by analyzing whether the program was effective in spite of its financial track record. To do this we initially planned two methods to evaluate the program's effectiveness. First, we planned to examine the DWI recidivism rate among MOP graduates and compare our results with similar analyses from other parts of the country. Second, we planned to analyze client responses to evaluations and surveys they complete at the end of their seven-day stay at the program.

Unfortunately, evaluating the MOP's effectiveness turned out to be unworkable because we were unable to find any comparative data for an analysis of DWI recidivism among MOP clients, and because the MOP had destroyed all client evaluations for the period from the program's beginning through December 1994.

#### 5.1 DWI RECIDIVISM AMONG MOP CLIENTS

Most MOP clients are by definition multiple DWI offenders. Therefore, an analysis of any further DWI recidivism among those clients seemed an appropriate method for evaluating the program's effectiveness. In fact the MOP administrator had previously conducted one analysis among clients who had gone through the program in calendar year 1989, and who became eligible for license restoration in 1992. This analysis found an 11 percent DWI recidivism rate among a sample that consisted of more than 15 percent of MOP clients from 1989. A follow-up study by the MOP in 1994 found only one additional recidivist in the two years since the original study. Information from the MOP administrator indicated the follow-up study did not include clients from years other than 1989.

We selected a sample of 384 MOP clients who had attended the program from its beginning in 1989 through the end of FY 1994 and examined post-MOP driving records. We found that 37 clients (9.6 percent) had 42 post-MOP DWI convictions for a recidivism rate of 10.9 percent. This is consistent with the results of the MOP's own recidivism study in 1992. We also found that the greater the number of years away from the program the more likely one is to recidivate. Clients from our sample who attended the program in 1994 had a recidivism rate of 3.6 percent, while the rate for those who had gone through in 1989 was 13.6 percent and 14.7 percent for 1990 clients. At the least, this indicates that the program's effectiveness may diminish over the long term.

## 5. PROGRAM EFFECTIVENESS (Continued)

### 5.1 DWI RECIDIVISM AMONG MOP CLIENTS (Continued)

While an overall DWI recidivism rate of 10.9 percent may appear to be commendable, the question is "compared to what?" Although we examined several potential sources we were unable to find studies that provided a basis for us to reach a conclusion as to the MOP's comparative effectiveness. We searched the professional literature, contacted federal government sources such as the National Traffic Safety Board, and private organizations such as Mothers Against Drunk Driving. None of the analyses we found examined the impact upon DWI recidivism due to a structured intervention like the MOP. Even the MOP administrator could not provide us with any satisfactory information in this area and admitted that the comparisons she used when reporting the results of the 1992 MOP analysis were based on hearsay.

Regarding the MOP's effectiveness as measured by DWI recidivism among clients, we can conclude only that the program appears to be doing either as well, or as poorly, as it has been doing all along. While we agree with the MOP and BSAS officials that the ultimate measure of the program effectiveness is the recidivism rate, we can not conclude that the recidivism rate we found is good or bad.

### 5.2 MEASURING PROGRAM EFFECTIVENESS

Our second approach to analyzing the MOP's effectiveness was to be an analysis of client evaluations of the MOP. However, we could not accomplish this due to inadequate document handling and retention on the part of the MOP.

Although we could not use completed client evaluation forms to assess program effectiveness, we did evaluate the forms themselves as information gathering instruments. We did this by researching the current professional literature for instrument designs related to program effectiveness assessments and for state-of-the-art client assessment instruments. We found that the MOP needs improvements in both areas.

#### OBSERVATION NO. 23

##### **INSUFFICIENT USE AND INAPPROPRIATE DISPOSAL OF CLIENT SATISFACTION SURVEYS AND ANONYMOUS SURVEYS**

The MOP has two ways of obtaining written feedback from clients who have attended the seven-day program. First, all clients are requested to complete a written satisfaction survey of the program that contains their names and responses to questions about their experiences at the MOP. In addition, since 1993 clients are requested to fill out a questionnaire which is unsigned and states that it was designed for collecting information to improve the

## 5. PROGRAM EFFECTIVENESS (Continued)

### 5.2 MEASURING PROGRAM EFFECTIVENESS (Continued)

#### OBSERVATION NO. 23: INSUFFICIENT USE AND INAPPROPRIATE DISPOSAL OF CLIENT SATISFACTION SURVEYS AND ANONYMOUS SURVEYS (Continued)

program's effectiveness. We believe data gathered from the clients about their attitudes toward drinking and their experiences in the program can be an important contribution in evaluating the MOP's effectiveness.

We found the MOP administrator and clinical director review these documents weekly for client feedback and check with individual clients whose responses indicate problems. Some responses are also selected for inclusion in the program's annual reports. However, the responses are not tabulated or summarized in any formal manner by the program, nor are the evaluations systematically analyzed for the purpose of formally evaluating program effectiveness.

In December 1994, all the previous years' program evaluations and anonymous surveys were discarded. All evaluations and surveys were stored separately from client files. The program administrator stated the documents were never intended to be part of the client file and were discarded due to limited available storage space. According to the State archivist the MOP is required to maintain client files at the facility for at least two years. Thereafter, files may be transferred to the record center for five additional years for a total of seven years before disposal. The MOP has no written procedures or policies on the administration, evaluation, or disposition of client files, including the evaluations and anonymous surveys.

We believe that the client satisfaction survey is part of the client file and should be treated accordingly. In addition, by insufficient evaluation and improper storage and disposal of the document, program management has needlessly limited its own opportunity, as well as that of outside evaluators, to utilize this analytical resource.

#### RECOMMENDATION:

The MOP should develop a procedure to formally analyze the information from the signed client satisfaction surveys and report the results to evaluate program performance. The MOP should develop procedures regarding on-site maintenance and archival storage for client files. The client satisfaction surveys should be retained in the client files rather than being stored separately and discarded on a random basis.

## 5. PROGRAM EFFECTIVENESS (Continued)

### 5.2 MEASURING PROGRAM EFFECTIVENESS (Continued)

#### OBSERVATION NO. 23: INSUFFICIENT USE AND INAPPROPRIATE DISPOSAL OF CLIENT SATISFACTION SURVEYS AND ANONYMOUS SURVEYS (Continued)

##### AUDITEE RESPONSE:

*Concur in part. We will develop written procedures for the disposition of client files and will attempt to develop evaluation and anonymous survey forms that will better lend themselves to formal analysis. However, much on these forms is subjective in nature and reveals a better understanding of clients' attitudes if leeway is given for written comments.*

*We will also arrange to archive any records over two years old for clients who have completed their aftercare for an additional five years. It is essential that records for clients who have not completed aftercare remain on site.*

*Real program effectiveness will be seen down the road in the reduction in recidivism and occurrence of relapse.*

#### **OBSERVATION NO. 24**

##### **IMPROVEMENTS NEEDED IN CLIENT SATISFACTION SURVEY**

We reviewed and assessed the Client Satisfaction Survey the MOP uses for obtaining written client feedback. Due to the program's prior disposal of most of these surveys completed during the audit period (as reported

in Observation No. 23), we were unable to analyze client responses as we had intended and make a judgement as to how effective the clients rate the program. Instead, we analyzed the form itself, assessing its utility as a data collection instrument for evaluating program effectiveness, and concluded it should be redesigned to improve the quality of the data it might produce.

Although it has had minor modifications twice since 1989 when it was first used, the satisfaction survey completed by clients has remained basically the same throughout the program's existence. According to the MOP administrator and the clinical supervisor, the client satisfaction surveys are good for self-assessment of program administration and staff, and are reviewed closely each week to get some sense or pulse of how clients are responding. These personnel reported they attempted to read client satisfaction surveys while clients were still at the program to follow up with them if needed.

## 5. PROGRAM EFFECTIVENESS (Continued)

### 5.2 MEASURING PROGRAM EFFECTIVENESS (Continued)

#### OBSERVATION NO. 24: IMPROVEMENTS NEEDED IN CLIENT SATISFACTION SURVEY (Continued)

Our analysis indicated that as currently designed the client satisfaction survey is insufficient for providing quality program performance measurements that may allow for accurate and economical self-assessment. Particular areas where measures are insufficient on the instrument include no discrete staff performance ratings (such as separate ratings for counselors, dormitory supervisors, administrative, and management personnel) and no distinctions between the day and evening aspects of the curriculum. Although the instrument asks clients which film impacted them the most and why, they are not asked to rate the group sessions nor the one-on-one counseling they received. However, with some improvements the instruments could provide the MOP with information that would help management assess the program's performance and indicate where changes may be needed.

#### RECOMMENDATION:

The client satisfaction survey should be redesigned to improve its utility as an information gathering and evaluative instrument. Client responses should be easily transformable into measures of program effectiveness and response categories should also include programmatic ratings, including the MOP's curriculum, staff, and other qualities.

#### AUDITEE RESPONSE:

*Concur. The Client Satisfaction Survey will be reviewed to determine if it can be a more useful information gathering tool. However, it must be understood that the ultimate measure of program effectiveness is recidivism. It must also be said that the completion of this survey form is not mandatory.*

*This form was initially designed to determine if there were any problems with individual staff members and to receive an overall sense of the program through a particular client's eyes.*

*We will take into consideration the excellent suggestions made by the audit team regarding discrete staff rating, specific components of the curriculum, and distinction between group and one-on-one counseling sessions.*

## 5. PROGRAM EFFECTIVENESS (Continued)

### 5.2 MEASURING PROGRAM EFFECTIVENESS (Continued)

#### OBSERVATION NO. 25

**MOP SHOULD CONSIDER UPDATING  
CLIENT ASSESSMENT TESTS**

Assessing DWI offenders involves activities that assist in determining the nature and extent of an offender's substance abuse problem and aid in developing recommendations for treatment. The

MOP uses two standardized tests (the Mortimer-Filkins and the Michigan Alcoholism Screening Test (MAST)), client interviews, and other evaluation techniques to make alcohol abuse determinations about clients. Interviews with the MOP clinical supervisor and our own review of the substance abuse literature indicated several questions regarding the reliability of the standardized tests the MOP uses.

The Mortimer-Filkins and the MAST were developed in 1971 and have not benefited from the knowledge accumulated about detecting substance abuse since that time. A central criticism of both tests is that they do not have a validity or "truthfulness" scale. The MOP clients may have reasons for giving misleading information. Moreover, denial is recognized as a component of alcoholism. As currently constructed, the Mortimer-Filkins and the MAST can be subject to client manipulation and can suggest a problem when one does not exist (false positive) or fail to detect an existing problem (false negative). Our review of substance abuse literature disclosed that using the MAST and the Mortimer-Filkins may result in a high rate of false positives and negatives, depending on the population being tested. For example, one study of 1,800 people using the Mortimer-Filkins questionnaire with DWI recidivists and non-offenders, found a high level of false positives (19 percent) and false negatives (70 percent).

Other widely available assessment tools, such as the Substance Abuse Life Circumstance Evaluation (SALCE) and the COMPASS test, incorporate validity scales that indicate the degree to which a test taker may be affecting the results through excessive denial or by giving false information. They provide counselors with a more refined approach to determining the extent of substance dependence and provide insight into the client's lifestyle patterns surrounding their use of psychoactive substances. These tests also suggest an intervention and treatment strategy based upon the client's responses and tailored to his/her needs.

The MOP has characterized its approach as an "intensive intervention" program whose purpose is to provide education, counseling, and diagnostic testing of substance dependence for multiple DWI offenders. One of the program's outcomes is usually a referral for further treatment after discharge. Missed diagnoses will lead to missed treatment opportunities, which runs counter to the program's intent. Updating its assessment tools may give counselors better information regarding the client's level of dependence earlier in the intervention process.

## 5. PROGRAM EFFECTIVENESS (Continued)

### 5.2 MEASURING PROGRAM EFFECTIVENESS (Continued)

#### OBSERVATION NO. 25: MOP SHOULD CONSIDER UPDATING CLIENT ASSESSMENT TESTS (Continued)

Because of the inherent unreliability of the Mortimer-Filkins and MAST tests, the MOP must emphasize other evaluation techniques. This results in increased use of counselor time and other State resources in determining a diagnosis and developing a treatment plan. Inaccurate assessments, due to inadequacies of the tests, could lead to inappropriate aftercare recommendations. Missed treatment opportunities can exacerbate existing substance abuse disorders. This result serves neither the client nor the State's criminal justice system.

It is unclear why the MOP has not investigated the feasibility of replacing the assessment tests it now utilizes. The MOP has not engaged in any formal assessment of its curriculum or practices since its inception. It has no specific time frame or procedure to ensure that its practices are current with the latest successful methods in alcohol and drug abuse detection and treatment.

#### RECOMMENDATION:

The MOP should evaluate its current assessment procedures. This evaluation should consider alternative assessment instruments that incorporate validity scales and other diagnostic techniques which would enhance the validity and reliability of the resulting assessment and treatment recommendations. The goal should be to create an approach that allows for developing an optimal diagnostic and referral program.

#### AUDITEE RESPONSE:

*Concur. The Multiple Offender Program uses the Mortimer-Filkins and MAST required by MOP rules. We will review current literature to determine if there are other more reliable instruments.*

*The Bureau of Substance Abuse Services characterizes the Multiple DWI Offender Program as an intensive educational intervention program as defined in the statute. Education and counseling are provided and intervention is attempted by having clients look closely at their actual relationship with alcohol and/or other drugs in order to prevent recidivism regarding driving while intoxicated. A substance abuse evaluation is generated and aftercare recommendations, if necessary, are made at the end of the seven-day program.*



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### 5.2 MEASURING PROGRAM EFFECTIVENESS (Continued)

#### OBSERVATION NO. 25: MOP SHOULD CONSIDER UPDATING CLIENT ASSESSMENT TESTS (Continued)

##### AUDITEE RESPONSE (Continued):

*Tests are part of a number of tools used to generate the substance abuse evaluation and aftercare recommendation. Aftercare recommendations are not based on test scores alone, but on an assessment of the entire week's participant behaviors/observations and knowledge gained of the life history given of the client. The questions asked on the testing may trigger a client in taking a closer look at him or herself. Often, the clients will later admit that answers given were untruthful.*

*SALCE is preferred, but, when you read a number of these computer print-outs, they tend to sound the same. Cost has been prohibitive and not seen as efficient based upon the program's having the opportunity to observe and interact with clients over a period of seven days.*

#### **OBSERVATION NO. 26**

**MOP SHOULD BE REQUIRED TO DEMONSTRATE ITS EFFICIENCY AND EFFECTIVENESS TO THE LEGISLATURE**

As reported in Observation No. 23, we were unable to develop measures of the MOP's effectiveness due in part to the program's destruction of client evaluations and anonymous surveys. We were able to measure

DWI recidivism rates among MOP clients, however, we were unable to find any corollary studies to allow for comparison with the rates we report. Therefore, neither we nor the MOP can make any objective judgement as to the program's effectiveness.

Evaluating the MOP's efficiency and economy is a different story. We found that the program is inefficient. As reported in Observation Nos. 6 - 10 procedures regarding monthly payments of program fees and sanctions against clients who do not pay are inadequate. As reported in Observations Nos. 11 - 19 management controls, such as supervisory control of financial functions and policies and procedures in most areas of program operation, are minimal or nonexistent. We found supervisory control to be so lax that it may have contributed to a possible fraud, as reported in Observation No. 12. In addition, as reported in Observation Nos. 1, 3, 4, and 5 the program is spending too much for food services, personnel, and rent.

Because of program inefficiencies and because we have no objective means of measuring program effectiveness, we cannot offer strong support for the MOP's continuation. Neither can we say with certainty that it should be closed. Rather, we suggest that the program be given a definite and limited

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### 5.2 MEASURING PROGRAM EFFECTIVENESS (Continued)

#### OBSERVATION NO. 26: MOP SHOULD BE REQUIRED TO DEMONSTRATE ITS EFFICIENCY AND EFFECTIVENESS TO THE LEGISLATURE (Continued)

time in which to improve its efficiency and to demonstrate its effectiveness. If it is unable to do so the Legislature may wish to consider alternatives for treating multiple DWI offenders.

#### RECOMMENDATION:

The Department of Health and Human Services should be required to conduct an evaluation of the MOP's efficiency and effectiveness, using rigorous program evaluation methodologies, and report to the Legislature by the end of FY 1998. Based upon the results of such evaluation the Legislature may wish to continue funding the program or cease its operations and contract its services to one or more private sector agencies.

#### AUDITEE RESPONSE:

*Concur. We are required by RSA 265:82-b to submit an annual report to the Speaker of the House and the President of the Senate which we have done for each year the program has been in existence.*

*The ultimate determinant of the program success is recidivism. It is our understanding that the Legislative Budget Assistant auditors have completed an extensive study and the results of that study were similar to our less exhaustive study. Our study showed an 11% recidivism rate.*

*We agree that it is the Legislature's decision whether the program should continue to be in existence. The Division of Mental Health and Developmental Services will work to develop additional valid and reliable indicators to support the outcome of the program.*

### 5.3 OTHER CONCERNS REGARDING EFFECTIVENESS

During the course of our audit we found some situations that allowed us to make judgements regarding the MOP's effectiveness. The first relates to the physical safety of the clients and the building. The second relates to the quality of the weekend curriculum and the need for its presentation to be conducted by professional staff.

## 5. PROGRAM EFFECTIVENESS (Continued)

### 5.3 OTHER CONCERNS REGARDING EFFECTIVENESS (Continued)

#### OBSERVATION NO. 27

DORMITORY SUPERVISION NEEDS  
IMPROVEMENT

A MOP employee reported that clients cache MOP coffee bags to brew coffee at night. To dramatize the point, the employee, accompanied by a LBA auditor, found a coffee bag in a client's room. The employee also

reported that some clients smoke in their rooms, despite smoking being prohibited except on a porch or outside the building. Clients create fire hazards by brewing coffee in dormitory rooms and smoking in unauthorized areas.

The supplemental job description for dormitory supervisors requires supervisors maintain security of clients and the building, conduct room checks, and insure correct social conduct and welfare of the residents. However, during our four-week time study, dormitory supervisors conducted only one or two room and building checks during any shift.

#### RECOMMENDATION:

MOP personnel should enforce existing conduct rules and living regulations. The MOP administrator should develop protocols for MOP dormitory supervisors for sufficient evening and night supervision of clients, including more frequent and appropriate building, floor, and room checks. Times and findings of building and room checks should be entered into the dormitory log.

#### AUDITEE RESPONSE:

*Concur. MOP will strengthen its enforcement of existing conduct rules to include more building checks during evening and night shifts.*

#### OBSERVATION NO. 28

WEEKEND SUBSTANCE ABUSE COUNSELOR  
STAFFING IS INSUFFICIENT

During weekends the MOP employs only one part-time substance abuse counselor, even though the program's organization chart indicates a second part-time substance abuse counselor position exists. This

weekend counselor is assisted by one or two dormitory supervisors. On weekends clients participate in an intensive educational curriculum comprised of lectures, films, group exercises, and discussions. Topics

## 5. PROGRAM EFFECTIVENESS (Continued)

### 5.3 OTHER CONCERNS REGARDING EFFECTIVENESS (Continued)

#### OBSERVATION NO. 28: WEEKEND SUBSTANCE ABUSE COUNSELOR STAFFING IS INSUFFICIENT (Continued)

covered include denial of alcohol and drug problems, effects of alcohol and drugs on human physiology, drinking patterns, mood swings and alcoholism, blood alcohol levels, and Alcoholics Anonymous awareness.

Neither MOP policies nor administrative rules specify substance abuse counselor staffing ratios. However, administrative rules He-A 904.04(f-g) governing Phase II programs (MOP accepts Phase II clients) require minimum instructor-to-client ratios of 1:8 or fewer. For the period March 1989 through June 1995, the MOP averaged 15.6 clients per week. During four weeks in September and October 1995, attendance at the MOP included groups of 12, 16, 17, and 15 clients respectively. This average of 15 clients per week is close to the MOP's historical weekly average of 15.6 clients. The MOP's weekend counselor-to-client ratio of 1 to 15.6 is well above the upper limit of the 1 to 8 counselor-to-client ratio used by Phase II programs.

The MOP is providing insufficient substance abuse counselor staffing for the weekend curriculum and has used dormitory supervisors, who are not trained as counselors, to provide professional level services. We conducted a time study of MOP personnel over a four-week period in September and October 1995 and found that two MOP dormitory supervisors perform 50.1 and 43.2 percent of their Saturday-Sunday work hours engaged in client group session activities which are not part of their job description. On the first Saturday of the time study, the part-time weekend substance abuse counselor left work around one o'clock, leaving two dormitory supervisors to conduct the remaining program sessions.

The substance abuse counselor I supplemental job description requires personnel to conduct group counseling, and to instruct classes "using specific program curriculum." The dormitory supervisor supplemental job description has no such requirements.

#### RECOMMENDATION:

The MOP should ensure two substance abuse counselors are on duty for the weekend curriculum. The program should consider rotating a weekend schedule among weekday substance abuse counselors. In addition, the MOP should schedule only one dormitory supervisor to work while two weekend substance abuse counselors are present on weekends. The MOP should only schedule two dormitory supervisors for weekend time periods when no substance abuse counselors are present.

**5. PROGRAM EFFECTIVENESS (Continued)**

**5.3 OTHER CONCERNS REGARDING EFFECTIVENESS (Continued)**

OBSERVATION NO. 28: WEEKEND SUBSTANCE ABUSE COUNSELOR STAFFING IS  
INSUFFICIENT (Continued)

AUDITEE RESPONSE:

*Concur in part. The Division of Mental Health and Developmental Services will initiate an analysis of staffing at MOP and adjustments will be made based on this analysis by an external staffing consultant.*

# STATE OF NEW HAMPSHIRE MULTIPLE DWI OFFENDER PROGRAM

## CONCLUSION

### 6. CONCLUSION

The Multiple DWI Offender Program was created to serve as an alternative to lengthy jail sentences for drivers with multiple convictions for driving while intoxicated. But the MOP was not established to help such repeat DWI drivers escape sanctions for their offenses. Convicted multiple DWI offenders must spend at least three days in jail before attending the MOP and must pay the fee established by the program. By statute, this fee must be sufficient to make the program self-supporting.

From March 1989 through June 1995, the program had served 4,624 clients. During that period the MOP also amassed a substantial operating deficit that was in excess of \$2.3 million, less than half of which was owed to the program by clients. This deficit was the result of the interaction between an ineffective fee collection system, higher than necessary expenditures, and non-compliance with the requirement that the fee be sufficient to make the program self-supporting.

The MOP presented an opportunity for us to determine the reasons for the program's dismal fiscal history and to evaluate whether its service performance warranted its continuation. We identified several conditions contributing to the MOP's financial performance, but were unable to assess the effectiveness of its educational curriculum. However, we have provided several recommendations that, with some effort by the Department of Health and Human Services, may lead to a better evaluation of the MOP's performance as a service provider.

If better performance indicators were to demonstrate that the MOP is less effective than intended, however, then there are a number of models from other states that the Legislature may wish to examine (Appendix B). We found 17 states other than New Hampshire which require second-time DWI offenders to undergo some form of treatment or education. But, in no state other than New Hampshire does a state agency actually provide services to multiple DWI offenders in the manner of the MOP.

Most of the problems at the MOP stem from management deficiencies at the program and its former parent agency, the Office of Alcohol and Drug Abuse Prevention. During the course of our audit the DHHS underwent a significant reorganization. In the process OADAP was renamed the Bureau of Substance Abuse Services and placed under administration of the Division of Mental Health and Developmental Services. From initial indications, the Bureau of Substance Abuse Services and DMH&DS management appear to be seriously addressing our recommendations regarding problems with the fee level, collections, and management controls.

## 6. CONCLUSION (Continued)

BSAS and DMH&DS also appear to be evaluating our recommendations regarding MOP expenditures and developing better service performance indicators. We encourage this effort to continue so that improvements can be made where needed. However, we also believe that program management still must demonstrate whether or not the MOP warrants continued support from the Legislature, and do so within a timeframe that minimizes its continuing negative fiscal impact.

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OBSERVATION NO. 28: WEEKEND SUBSTANCE ABUSE COUNSELOR STAFFING IS INSUFFICIENT (Continued)

AUDITEE RESPONSE:

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# STATE OF NEW HAMPSHIRE MULTIPLE DWI OFFENDER PROGRAM

## CONCLUSION

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## 6. CONCLUSION (Continued)

ESAS and DMH&DS also appear to be evaluating our recommendations regarding MOP expenditures and developing better service performance indicators. We encourage this effort to continue so that improvements can be made where needed. However, we also believe that program management still must demonstrate whether or not the MOP warrants continued support from the Legislature, and do so within a timeframe that minimizes its continuing negative fiscal impact.

# STATE OF NEW HAMPSHIRE MULTIPLE DWI OFFENDER PROGRAM

## OTHER ISSUES AND CONCERNS

In this section we present issues reviewed during our audit which were not developed into formal observations. While these issues are subordinate to concerns expressed in prior sections of this report, we do consider these issues noteworthy. Appropriate executive branch agencies and the Legislature may consider these issues and concerns deserving of action or further study; therefore we have included suggestions where appropriate.

### **AUTOMATED DATA SYSTEMS SHOULD BE IMPROVED**

Numerous MOP and OADAP personnel reported that the MOP's computer system needs improvement. For example, the MOP's administrator, clinical director and clerk III reported the MOP lacks computers, and has antiquated and non-functional computer equipment. Both OADAP's director and business administrator commented MOP's computer system needs improvement so it can communicate with OADAP's system. Substance abuse counselors currently hand write client evaluations and aftercare recommendations. Four of five counselors requested word processing machinery to improve, expedite, and professionalize the evaluation and aftercare recommendation process.

Additionally, the MOP's administrator and the clerk III reported that the MOP's WANG computer equipment is difficult to service. The administrator indicated that repair parts were scarce, and perhaps available only from computer repair stores. Even though OADAP's business administrator reported that MOP paid WANG Corporation almost \$6,900 in FY 1994 for computer maintenance as part of the overall maintenance program the State has with WANG, equipment remains unrepaired.

The MOP can not take advantage of efficiencies available with more up-to-date computer systems. For example, the MOP has no computer data sharing capability with OADAP or the Division of Motor Vehicles. MOP client data is difficult to access.

We observed the clerk III input client data into the MOP's computer. It took five minutes for the computer to process data field information, such as name and address, for a single client. During each five minute period, the clerk III could not use the computer for any other function. The processing time lag is overly long and creates administrative inefficiency for the MOP.



## **OTHER ISSUES AND CONCERNS (Continued)**

### **AUTOMATED DATA SYSTEMS SHOULD BE IMPROVED (Continued)**

Furthermore, a MOP employee reported that one of the MOP's two dot-matrix printers is unrepaired and stored in the MOP's basement. The MOP's other printer is functional, yet excessively noisy, slow, cumbersome to use, and produces poor quality type. Up-to-date computer systems are readily available which could correct MOP computer deficiencies.

### **SOME MOP CLIENTS CONTINUE TO DRIVE AFTER LICENSE SUSPENSION OR REVOCATION**

During our analysis of the MOP's recidivism rate, we discovered a significant number of clients continue to drive after their license is suspended or revoked. In addition to collecting data about clients' convictions for DWI subsequent to their completion of the MOP, we also noted convictions for operating a vehicle while under license suspension or revocation, and operating while a habitual offender. Sixty-one of the 384 clients (15.9 percent) in our sample had violations related to operating a vehicle after suspension or revocation. Twenty-nine of the 61 offenders (47.5 percent) had a combination of offenses that included a DWI after completion of the MOP curriculum, while 32 of the 61 offenders (52.5 percent) were convicted of operating after suspension or revocation only. The 61 offenders accounted for a total of 97 non-DWI violations. Twenty-two of the 61 offenders (36.1 percent) had multiple convictions for illegal operation of a motor vehicle; 14 offenders had two convictions, five offenders had three, and three offenders had four or more convictions.

It is likely that our analysis under-represents the number of offenders who drive after license suspension or revocation because we can only identify those that have been caught and convicted. Still, we can estimate that at least 16 percent of all MOP clients (about 740) since 1989 have been convicted of operating a vehicle after license suspension or revocation. We believe the MOP should emphasize to clients the importance of not driving while their license is suspended or revoked. The MOP should consider incorporating information about the penalties of doing so into its educational curriculum and discuss with clients the necessity to plan their transportation needs for the duration of their suspension or revocation.

### **AD HOC ADVISORY COMMITTEE APPEARS UNDERUTILIZED**

An Ad Hoc Committee was established in 1989 (He-A 801.02) for the MOP. According to the OADAP director, the committee is charged with responsibility for providing advice and counsel on the program design and changes in the curriculum. Members are appointed by the OADAP director and include eight individuals as follows: two members from the judiciary, one member from the Laconia Police Department, one member from the Division of Motor Vehicles, one member from the County Corrections Association, one member from a county department of corrections, one member from among the

## **OTHER ISSUES AND CONCERNS (Continued)**

### **AD HOC ADVISORY COMMITTEE APPEARS UNDERUTILIZED (Continued)**

clerks of court, and one member from the Administrative Office of Courts. The term of membership is two years from the date of appointment and there is no limit to the number of reappointments. The OADAP director reported that the committee has all the original members. The OADAP director also reported the committee has not met in more than one year. The MOP should consider establishing a formal meeting schedule for the committee so that it may provide advice on a regular basis to the program. This would be particularly timely as several of our recommendations involve a review of the program's content and the creation of operating procedures. The MOP's management would also benefit from interacting and developing a closer relationship with other agencies, such as the Division of Motor Vehicles.

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## APPENDIX A

### STATE OF NEW HAMPSHIRE PENALTIES FOR DRINKING AND DRIVING

Penalties for operating a motor vehicle while under the influence of intoxicating liquor or any controlled drug include fines, jail sentences, revocation or suspension of driver licenses, and mandatory participation in educational treatment programs. Some laws defining DWI offenses and the penalties are outlined on the table below.

LAW	DESCRIPTION
RSA 265:82 (I) (a) (b) <b>Driving Under Influence of Drugs or Liquor; Driving with Excess Alcohol Concentration</b>	prohibits any individual from driving or attempting to drive a vehicle while under the influence of intoxicating liquor, controlled drugs, or any combination of the two. This prohibition also applies to individuals with a blood alcohol concentration of .08 or more.
RSA 265:82-a (I) <b>Aggravated Driving While Intoxicated</b>	stipulates that an individual will be guilty of aggravated driving while intoxicated if he drives or attempts to drive a vehicle under the influence of intoxicating liquor, controlled drugs, or any combination of the two and drives at a speed of 30 miles per hour in excess of the prima facie limit, is involved in a motor vehicle accident resulting in serious bodily injury, or attempts to elude pursuit by a law enforcement officer.
RSA 265:82-b (I) (b) (3) <b>Penalties for Intoxication or Under Influence of Drugs Offenses</b>	revokes the driving license privilege for three calendar years for persons with one or more prior convictions in New Hampshire or another state within the last seven years. Persons having two or more convictions within seven years have their driving license revoked indefinitely and are ineligible to drive in New Hampshire for at least three calendar years.

LAW	DESCRIPTION
RSA 265:82-b (II)  <b>Penalties for Intoxication or Under Influence of Drugs Offenses (Continued)</b>	stipulates that persons convicted of aggravated driving while intoxicated will be guilty of a misdemeanor and fined not less than \$500 and not more than \$1,000. However, persons convicted of aggravated driving while intoxicated and who were involved in a motor vehicle accident resulting in serious bodily injury will be found guilty of a class B felony and will be fined not less than \$1,000 and not more than \$2,000.
RSA 265:82-b (II-a)  <b>Penalties for Intoxication or Under Influence of Drugs Offenses (Continued)</b>	requires that persons completing the MOP and subsequently convicted under driving while intoxicated provisions (RSA 265:82 or 265:82-a, or any combination thereof) will be sentenced to imprisonment for a minimum of 30 consecutive 24-hour periods and must also complete at their own expense a 28-day treatment program before license restoration.
RSA 265:82-b (VI) (a)  <b>Penalties for Intoxication or Under Influence of Drugs Offenses (Continued)</b>	requires that persons convicted under RSA 265:82 who have had previous convictions under RSA 265:82 or RSA 265:82-a within seven years, shall not have their driving license privilege restored until successfully completing a seven-day program at the MOP or an equivalent seven-day residential program approved by the OADAP. This is the Phase II program statute.

In 1993 a fourth paragraph was added to RSA 263:65-a requiring offenders to provide an original certified copy of the person's driver's license record upon enrollment in the IDIP or the MOP. With regard to the MOP the person may provide the copy at enrollment or prior to issuance of a report to the court and Division of Motor Vehicles, indicating the offender has successfully completed the program (RSA 265:82-b, (I) (b) (2)).

## APPENDIX B

### TREATMENT AND EDUCATION REQUIREMENTS FOR MULTIPLE DWI OFFENDERS IN OTHER STATES

We found 17 states other than New Hampshire which require second-time DWI offenders to undergo some form of substance abuse assessment, education, or treatment. The tables which follow provide information we obtained through telephone surveys with these other states regarding these and other requirements which multiple DWI offenders must fulfill prior to restoration of their driving privileges.

#### Assessment

Assessment involves activities that assist in determining the nature and extent of an offender's substance abuse problem and developing recommendations for treatment. As Table B-1 indicates, all 17 states require some form of assessment, most often a standardized test. Wherever assessments are required prior to sentencing, we have so indicated in the table. Of the five states that do not require a standardized test, two (Maine and Minnesota) typically use one anyway. Three states require the use of multiple tests for greater accuracy. Tests that were cited most often either alone or in combination were the Michigan Alcohol Screen Test (MAST) (6), Substance Abuse Life Circumstance Evaluation (SALCE) (5), and Mortimer/Filkins (M/F) (4). The State of Washington actively encourages assessors to use their own judgment rather than a standardized test. This is not so unusual when we consider that states with standardized tests often require a clinical interview be combined with test results to form the basis of a formal diagnosis (Delaware, Florida, Kansas, Montana, New Jersey, and Vermont).

Assessments are typically completed by private or nonprofit providers. Several states also use county providers, either exclusively or in combination with private sources, but no state reported providing assessment services directly.

#### Education

Some form of substance abuse education is required in 12 of the 17 states. Although education may not be required for every offender in the remaining five states, it may be required for a particular offender as part of fulfilling treatment obligations. A standard educational curriculum is used in 11 states. The minimum amount of time required to complete the educational component ranges from two to 24 hours. Typically, the educational programs include topics that focus on the physiological and psychological effects of alcohol on the user, effects of alcohol on the family, DWI laws for the state, and treatment resources.

## Treatment

Differing levels of treatment are typically recommended for DWI offenders that are consistent with the intensity of their disorder. Ten states do not require a minimum number of treatment sessions for second offenders but rely on what an assessor recommends. Four of the states require that the offender spend a minimum amount of time in treatment that ranges from 16 hours in Delaware to one year in Kentucky. Rhode Island and Oregon require treatment for all second offenders, but do not mandate a minimum time in treatment. All states, except Georgia, require that treatment be completed before the offender's license is restored. The referral rate for treatment, excepting states where treatment is required, ranges from 44 percent in Washington to 99 percent in New Jersey.

Vermont requires that treatment providers attest that offenders are low risk to recidivate. Similarly, the Maine regulatory agency must certify to the state Division of Motor Vehicles that there is a "substantial probability that the client will not drink and drive again."

## Follow-Up

Follow-up refers to the process of certifying offenders' compliance with treatment recommendations. Follow-up is the responsibility of either the assessment or treatment agency in 12 states. In two states (Florida and Georgia), offenders are required to report back to a state agency, and in two other states (New Jersey and South Carolina) counties have the responsibility to monitor treatment. In only one state (Rhode Island) does the regulating agency do the follow-up.

## Fees and Mandatory Incarceration

Fifteen of the states we surveyed have mandatory jail terms for multiple DWI offenders. Only Minnesota and Vermont do not require jail terms, however, in Minnesota offenders may be fined up to \$3,500. For the remaining 15 states the length of incarceration ranges from no mandatory minimum in two states to a maximum of one year for nine states. West Virginia's six month minimum sentence is the longest minimum sentence of any state.

All 17 states require multiple DWI offenders to pay fees for mandatory assessment, education, and treatment services as demonstrated in Table B-2. Arkansas is the only state that does not charge for assessments. Five states charge a single fee for both education and assessment that ranged from \$175 to \$425. Fees for assessment in the other states ranged from \$50 to \$260. In Rhode Island, the fee for assessment is included in a \$500 fine.

Six states (Georgia, Kansas, Maine, Oregon, Vermont, and West Virginia) receive a portion of the fees paid to private or nonprofit providers to support the states' regulatory or indigent care efforts. The Maine program, in fact, is required not only to cover costs but also to contribute an excess amount to the state's General Fund. In West Virginia, if the client does not complete the assessment, the provider does not receive a fee.

## Other Significant Program Features

### *Deferred Prosecution - Washington State*

Deferred prosecution is a program in Washington State that allows persons charged with certain misdemeanor or gross misdemeanor offenses, including DWI, to request an intense, closely monitored chemical dependency treatment program for two years as an alternative to prosecution. Deferred prosecution drivers were less likely to recidivate than convicted DWI drivers. Research has found that 48 percent of convicted drivers, versus 22 percent of the deferred drivers, recidivate within four years.

### *Extended Monitoring - Montana*

Similar to Washington State's deferred prosecution, Montana has a practice which requires all DWI offenders submit to intense monitoring after treatment. Offenders are required to show up for face-to-face interviews with a counselor to confirm their continuing commitment to aftercare requirements and/or sobriety. The courts may assess penalties for not following recommendations.



**TABLE B-1  
ASSESSMENT, EDUCATION, TREATMENT, AND FOLLOW-UP REQUIREMENTS**

<b>STATE</b>	<b>REQUIRED ASSESSMENT (S)</b>	<b>REQUIRED EDUCATION</b>	<b>REQUIRED TREATMENT</b>	<b>FOLLOW-UP</b>
AK	Pre-sentence Self-Administered Alcohol Screening Test and Pre-Sentence Screening Report	12 to 18 hours, standard curriculum	Based on assessment	Courts and treatment agencies
DE	M/F, MAST, and personal interview	2-3 hours, standard curriculum	16 hours	Treatment agencies report to state agency and state to courts
FL	Driver Risk Inventory (DRI), analysis of records, and personal interview	21 hours, standard curriculum	Based on assessment	Offenders report to state under special program
GA	SALCE	16-24 hours, standard curriculum	none	Education certificate required to get license back
KS	Pre-sentence personal interview required	8 hours, standard curriculum	Based on assessment	Assessment agencies monitor and notify court
KY	DRI, changing to choice of SALCE or Substance Abuse Screening Evaluation	20 hours, standard curriculum	one year	Assessment and treatment agencies notify court
ME	MAST used but not required	22 hours, no standard curriculum	Based on assessment	Private providers notify state agency

**TABLE B-1 (Continued)**  
**ASSESSMENT, EDUCATION, TREATMENT, AND FOLLOW-UP REQUIREMENTS**

<b>STATE</b>	<b>REQUIRED ASSESSMENT (S)</b>	<b>REQUIRED EDUCATION</b>	<b>REQUIRED TREATMENT</b>	<b>FOLLOW-UP</b>
MN	MAST and M/F used, not required	None	Based on assessment	Private providers
MT	30 approved instruments including MAST, M/F. Two personal interviews required	8 hours, standard curriculum	Based on assessment	Treatment providers
NH	<b>MAST and M/F</b>	<b>7 days</b>	<b>Based on assessment</b>	<b>Offenders</b>
NJ	Rutger's test; personal interview required	Part of assessment process, standard curriculum	Based on assessment usually 16 weeks	Counties or treatment providers
OR	M/F and SALCE	12 hours, standard curriculum	Based on assessment	Screeners
PA	M/F, Quantity /Frequency Index, and Alcohol Impairment Index - all required	None	Based on assessment	Treatment providers
RI	Personal interview is required	None	Based on assessment	State agency
SC	SALCE, SASE, and Lifestyle Inventory	None	Based on assessment	County
VT	MAST, CAGE, and COMPASS, personal interview required	None	Minimum 20 sessions, 6 month period	Assessors monitor
WA	Personal interview required	9-15 hours, standard curriculum	60 day minimum for abusers	Treatment agencies monitor
WV	6 tests approved including MAST and SALCE	16 hours, standard curriculum	Based on assessment	Treatment providers

**TABLE B-2  
FEES AND MANDATORY INCARCERATION**

STATE	ASSESSMENT	EDUCATION	TREATMENT	INCARCERATION
AK	None	\$50 per class	Varies	7 days to 1 year
DE	\$75	Included in treatment fee	\$490	7 days
FL	\$250	Included in assessment fee	Varies	up to 1 year
GA	\$50	\$110-\$169	Varies	90 days to 1 year
KS	\$125	Varies	Varies	5 days to 1 year
KY	Varies	Varies	Varies	7 days
ME	\$425	Included in assessment fee	Varies	7 days
MN	\$260	Varies	Varies	no minimum
MT	\$100-\$250	Included in assessment fee	Varies	7 days to 6 months
<b>NH</b>	<b>\$675</b>	<b>Included in assessment fee</b>	<b>Varies</b>	<b>10 days</b>
NJ	\$200	Included in assessment fee	Varies	2 to 90 days
OR	Varies	Varies	Varies	Up to 1 year
PA	\$50	None	Varies	30 days
RI	\$500	None	Varies	10 days to 1 year
SC	\$75	\$125	\$225	2 days to 1 year
VT	\$125	None	Varies	No minimum
WA	Varies	\$75-\$125	Varies	30 days to 1 year
WV	\$175	Included in assessment fee	Varies	6 months to 1 year



STATE OF NEW HAMPSHIRE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF MENTAL HEALTH AND  
DEVELOPMENTAL SERVICES

Terry L. Morton  
Commissioner  
Department of Health and  
Human Services

Paul G. Gorman  
Director  
Division of Mental Health and  
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105 Pleasant Street  
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Concord, NH 03301  
(603) 271-5000

May 31, 1996

The Honorable Channing T. Brown  
Chairperson  
Fiscal Committee of the General Court  
State House  
Concord, NH 03301

Dear Chairperson Brown:

We have found this audit helpful to our management priority setting, particularly at this time. On January 8, 1996, the Office of Alcohol and Drug Abuse Prevention became the Bureau of Substance Abuse Services (BSAS) and was merged with the Division of Mental Health and Developmental services within the Department of Health and Human Services. This audit provided management with important suggestions for improvements, many of which have been implemented over the past several months.

We do not take exception to the listed audit findings. In most cases we are proceeding in directions that are indicated and find the audit a helpful tool. We appreciate the support we have received from this Committee and the Legislature as a whole for this program as it focuses on some of the most difficult to serve citizens of this state.

We will now address the major findings in summary and discuss corrective actions implemented. An assessment of the staffing pattern at the Multiple Offender Program (MOP) has been accomplished by a staffing consultant. The Division is presently reviewing the recommendations. The assessment included recommendations that addressed all the staffing concerns of the auditors.

In other areas concerning program operating deficit:

1. Draft rules have been written and a pending statute change in RSA 265:63 will lessen the program's involvement in client aftercare as much as possible.
2. As of the first of March, 1996, we have instituted an employee meal plan in which the employees pay for their meals.
3. We have contacted the Department of Corrections concerning the condition of the building. They have assured us that building improvements will be made.

4. The MOP fee has been increased to \$950 as of April 19, 1996, to reflect actual program costs. All costs are being reviewed in order to reduce expenses which should reduce the deficit over a period of time. An RFP for vending services is now being developed.

#### Management Controls

All questionable concerns regarding finances have been addressed and corrected. BSAS management addressed the discrepancies immediately when they were noted, investigating but unable to prove any fraud. Nevertheless, immediate changes were made both in procedures and personnel handling money. Deposits were made daily thereafter. Proper internal controls have been in place since Division of Mental Health and Developmental Services Office of Reimbursements have been involved which will insure accuracy and accountability. With the establishment of proper procedures for collection, the agency checking account has been closed. Since the Office of Reimbursements has assumed the task of collections, the Division is reviewing the feasibility of requesting authority for a late fee.

The findings associated with Collections beginning with Observation #6 through Observation #11 are being addressed through the transfer of the collection and billing process to the Office of Reimbursements within the Division of Mental Health and Developmental Services. The staff within this Office are highly skilled Financial Agents who are very familiar with interviewing and follow-up techniques to promote collections.

There has been a new procedure established where Financial Agents interview and gather financial information from each client as they register at the program site. In addition, they negotiate a payment agreement with each client. These agreements are based on a clients ability to repay. The Agents secure a release to verify financial information, and will do so when the Agent believes it is necessary. We have begun monthly billings and follow-up on late payments. Phase II clients are required to pay before attendance.

Staff have had discussions with the Attorney General's Office regarding the use of contempt proceedings, and they are reviewing the advisability of its use. We intend to use this procedure where appropriate and cost effective. Based upon their recommendation, we have begun using small claims court for certain accounts.

The Office of Reimbursements is also pursuing, with other State agencies, the possibility of using various records to secure addresses of delinquent payers who have no address on file. There are approximately 900 such cases since the inception of the program.

The results of collections since the merger are encouraging. The average monthly collection from July 1995 - December 1995 was \$37,900. Since the Office of Reimbursements became responsible for the billing and collection operations monthly collections (January 1996-March 1996) have averaged \$47,650. This is a 25% increase over the past six month period. With the rate change to \$950 per week that became effective April 19, 1996, we hope to increase the actual monthly cash intake substantially.

The Office of Reimbursements staff have accepted this challenge, with no new staff other than the Case Technician I who was transferred to the Office from the MOP.

Operating procedures for both programmatic and administrative activities are being documented. Also, procedures have been upgraded to insure that client files are maintained in a consistent manner.

The MOP has developed a new client satisfaction rating form and a procedure to formally analyze the information and report the results. This form will be maintained in the client's record as will the client evaluation forms. The client evaluation forms are the written individual assessment prepared by the MOP counselors for each client which are sent to the Department of Safety. These records are maintained for seven years.

Test instruments are being reviewed and may be modified since client aftercare recommendations are primarily based upon client history, interaction and observation.

We agree that comparative data could not be found regarding recidivism for equivalent programs. The auditors replicated the methodology used by MOP in its two recidivism studies, which used a statistically significant sample. The results of the LBA's study were consistent with MOP's studies. Results of other although not equivalent studies have been significantly higher. In Prince Georges County, Maryland, a 33 day DWI program now has an 8% recidivism rate compared to MOP's 7 day program at 10.9%. In statewide Maryland, non DWI focused addictions treatment program bring a 35% recidivism rate. A year long prison based program in Arizona for third and subsequent DWI offenders produces a 13.8% recidivism rate within one year of release to probation. The effectiveness of the New Hampshire interventions, measured by the recidivism rate of 10.9% for DWI offenses compares favorably to the 25-35% rate nationally as noted by the National Highway Traffic Safety Agency in 1996.

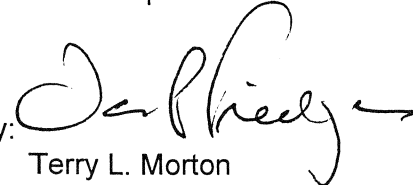
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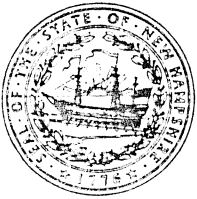
Paul G. Gorman, Ed.D., Director  
Division of Mental Health and  
Developmental Services

Approved by:



Terry L. Morton

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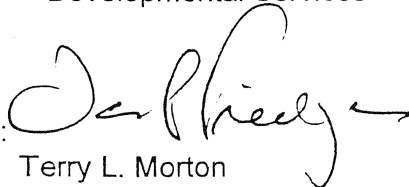
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Paul G. Gorman, Ed.D., Director  
Division of Mental Health and  
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Approved by:



Terry L. Morton

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**PERFORMANCE AUDITS  
ISSUED BY  
OFFICE OF LEGISLATIVE BUDGET ASSISTANT**

<u>NAME OF REPORT</u>	<u>DATE</u>
<u>Review of the Management and Use of State Owned Passenger Vehicles and Privately Owned Vehicles Used at State Expense</u>	August 1984
<u>Management Review of the Policies and Procedures of the Division of Plant and Property Management</u>	June 1984
<u>Review of the Public Employees Deferred Compensation Plan</u>	December 1987
<u>Review of the Allocation of Highway Fund Resources to Support Agencies and Programs</u>	March 1988
<u>Review of the Indigent Defense Program</u>	January 1989
<u>Hazardous Waste Management Program</u>	June 1989
<u>Mental Health Services System</u>	January 1990
<u>Department of Administrative Services, Division of Plant and Property Management State Procurement and Property Management Services</u>	June 1990
<u>Developmental Services System</u>	April 1991
<u>Prison Expansion</u>	April 1992
<u>Workers' Compensation Program for State Employees</u>	January 1993
<u>Child Settlement Program</u>	March 1993
<u>Property and Casualty Loss Control Program</u>	November 1993
<u>State Liquor Commission</u>	July 1994
<u>Managed Care Programs for Workers' Compensation</u>	November 1995

Copies of the above reports may be received by request from:

Office of Legislative Budget Assistant  
Room 102 State House  
Concord, New Hampshire 03301  
(603) 271-2785

